Government of
Saskatchewan

2005–2006
Annual Report

Saskatchewan
Crop Insurance
Corporation

Statistical Highlights by Crop Year

	2005	2004	2003	2002	2001
Financial					
Total Premium (P)	$277.2 M	$291.5 M	$348.6 M	$248.6 M	$225.2 M
Total Indemnities (I)	$75.9 M	$392.1 M	$345.0 M	$1.07 B	$331.5 M
Net Loss Ratio (I/P)	.27	1.35	.99	4.30	1.47
Total Insured Value (liability)	**$1.9 B**	**$2.1 B**	**$2.8 B**	**$2.5 B**	**$2.1 B**
Insured Acres					
Annual Grain Crops					
• Multi-Peril Insurance	24.8 M	25.0 M	25.9 M	25.5 M	25.2 M
• Ratio of Insured to Seeded Acres	70%	70%	74%	74%	74%
Perennial Forage Crops					
• Multi-Peril Insurance	.6 M	.8 M	.8 M	1.0 M	.5 M
• Forage Rainfall Insurance Program	1.2 M	1.7 M	2.7 M	3.3 M	.2 M
• Corn Heat Unit Pilot Program	1,810	2,324	n/a	n/a	n/a
Annual Crop Weather Based Insurance Program	2.0 M	1.4 M	.5 M	.9 M	n/a
Insured Contracts					
Grain, Forage and Weather Derivative Programs	30,413	32,087	33,918	34,783	94,306
Distribution of Acres by Coverage Level (expressed as a per cent of average yield)					
50% and Winterkill	17%	14%	12%	8%	12%
60%	11%	10%	8%	4%	6%
70%	44%	43%	41%	35%	68%
80%	28%	33%	39%	53%	14%
Weighted Average	68%	70%	71%	73%	69%
Claims Registered*					
Unseeded Acreage	4,456	4,073	259	154	344
Establishment	3,549	6,394	6,035	6,482	3,187
Pre-Harvest	3,848	10,936	7,936	39,227	9,436
Post-Harvest	9,513	34,048	38,817	52,508	37,932
Hail	n/a	n/a	n/a	n/a	17,540
Wildlife - Waterfowl	2,079	2,183	292	1,946	192
Wildlife - Big Game	2,024	1,868	542	3,771	496
Total Claims Registered	**25,469**	**59,502**	**53,881**	**104,088**	**69,127**

* Not all claims result in a payable loss. For example, a loss in one field may be offset by higher yields in another field of the same crop.

106-06963/

Table of Contents

Letters of Transmittal 2
Our 2005–2006 Annual Report 3
Our Organization 3
A Year in Review 5
Overview of Saskatchewan Crop Insurance 6
2005–2006 Strategic Plan and Final Results 8
2005–2006 Financial Results 13
2006–2007 Strategic Plan 14
2006–2007 Budget Overview 17

Financial Statements of the Saskatchewan Crop Insurance Corporation

Management's Report 18
Auditors' Report 18
Statement of Financial Position 19
Statement of Operations and Net Assets 20
Statement of Cash Flows 21
Administration Expenditures 22
Notes to Financial Statements 23

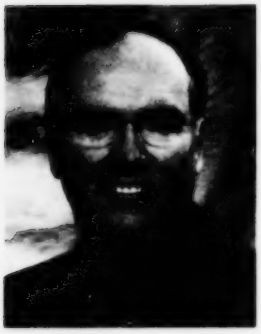
Financial Statements of the Crop Reinsurance Fund of Saskatchewan

Statement of Financial Position 26
Statement of Operations and Deficiency 26
Notes to Financial Statements 27

Appendix 1: 2005 at a Glance 28
Appendix 2: 2005–2006 Saskatchewan Crop Insurance Program 29
Appendix 3: Historical Coverage and Premiums 33
Appendix 4: Participation and Loss Experience 34
Appendix 5: Insured Acres by Crop 36
Appendix 6: New Crops Insurance Account 40
Appendix 7: Wildlife Damage Compensation Program 41

Saskatchewan Crop Insurance Corporation's 2005–2006 Annual Report is available in pdf format at www.saskcropinsurance.com.

Letters of Transmittal



June 22, 2006

To Her Honour
The Honourable Dr. Linda Haverstock
Lieutenant Governor of Saskatchewan

Madam:

For more than 45 years, Saskatchewan Crop Insurance has fulfilled its mandate, providing Saskatchewan producers with effective risk management programs. We look forward to serving the province's agriculture industry and stakeholders for decades to come.

It is my honour to submit the Saskatchewan Crop Insurance Corporation annual report and financial statements for the year ended March 31, 2006.

Your obedient servant,

Mark Wartman
Minister of Agriculture and Food

June 22, 2006

To the Honourable Mark Wartman
Minister of Agriculture and Food

Sir:

I hereby present the 2005–2006 Saskatchewan Crop Insurance Corporation annual report for the year ended March 31, 2006. This report demonstrates our continued commitment to the effective and innovative delivery of strategic and financially sound risk management programs and services that respond to the needs of our customers.

Respectfully submitted,

Harvey Brooks
Chair of the Board
Saskatchewan Crop Insurance Corporation

Our 2005–2006 Annual Report

This annual report is intended to assist stakeholders in understanding the role of Saskatchewan Crop Insurance through the corporation's strategic and financial plans and results. As the province's agriculture industry and corporate services evolve, so too will Crop Insurance's strategic plan, while providing complete and objective information to all stakeholders.

The Public Performance Reporting Guidelines are used by Crop Insurance to report on the results of the 2005–2006 crop year. These guidelines provide an accountability framework for the corporation's strategic plan and summarize the results achieved against those plans.

2005–2006 strategic plan results will be reported against the objectives and measures established in 2004–2005. Complete information can be found on pages 8 through 16.

Our Organization

Governing Authorities

The Saskatchewan Crop Insurance Corporation is a provincial Crown Corporation established by an Act of Legislature primarily to administer the Canada-Saskatchewan Crop Insurance Program. As a joint federal-provincial program, Crop Insurance is subject to the following Acts, Regulations and Agreements:

- Farm Income Protection Act (federal)
- Crop Insurance Act (provincial)
- Canada Production Insurance Regulations (federal)
- Crop Insurance Regulations (provincial)
- Canada-Saskatchewan Production Insurance Agreement
- Operational Document related to the Canada-Saskatchewan Production Insurance Agreement

Crop Insurance also administers payments under the Wildlife Damage Compensation Program, governed under the provincial Farm Financial Stability Act and associated regulations.

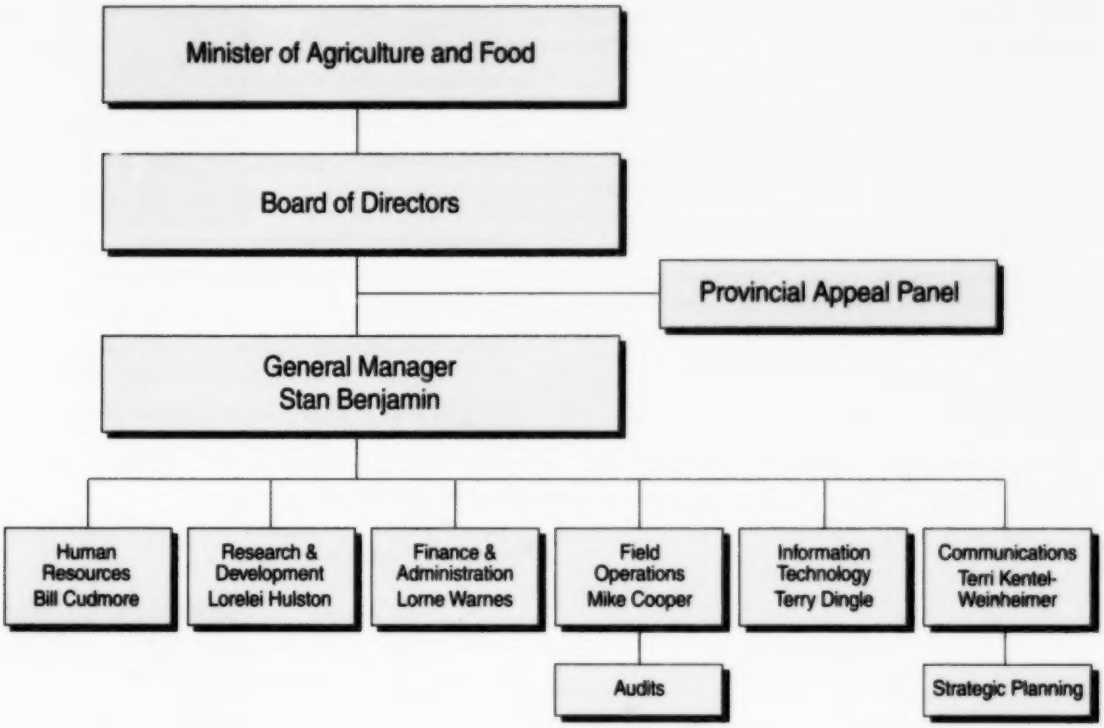
Saskatchewan Crop Insurance has complied with the provisions of these authorities.

Board of Directors

Under the Crop Insurance Act, the board of directors is responsible for the overall direction and development of the Crop Insurance program and authorized to conduct the affairs of the corporation. Decisions with major financial and policy implications are developed in consultation with industry and must be approved by the provincial and federal governments.

As of March 31, 2006, the board members were Doug Matthies, chair and Deputy Minister of Saskatchewan Agriculture and Food (SAF), Hal Cushon, vice chair and Assistant Deputy Minister of SAF, Wilson Olive and Arlee McGrath. All members are either involved in farm operations or have an agricultural background.

Organization Chart as of March 31, 2006



Provincial Appeal Panel

The Saskatchewan Crop Insurance Provincial Appeal Panel was established to provide fair and efficient resolution to customer issues. The panel is an advisory committee of producers appointed by the board of directors to consider and make recommendations on individual customer concerns. A voluntary process, informal hearings are held on a regular basis with customers and staff presenting information. The panel's recommendation is then presented to the board of directors for final decision.

Panel members are farmers at large. As of March 31, 2006, members were chairperson Harry Bastness (Hagen), vice chairperson Janice Stirling (Mortlach), Brian Kramer (Southey), Dale Flavel (Silton), William Lanfermann (Paradise Hill), Allan Beblow (Yorkton) and Wayne Truman (Redvers).

Between April 1, 2005 and March 31, 2006, the Provincial Appeal Panel registered 95 appeals. Twenty-one were withdrawn prior to being scheduled. Of the 74 remaining appeals, 14 were granted in whole, five were granted in part, 44 were denied and eight had no decision made by March 31. Three appeals were withdrawn during or after their appeal was heard.

Staff

Crop Insurance's head office is located in Melville with 21 customer service offices in communities throughout the province. As of March 31, 2006, Crop Insurance employed 434 individuals including permanent, temporary and casual positions. Of these, 114 employees were located at head office and 320 were located in the customer service offices.

Saskatchewan Crop Insurance contact information can be found on page 44 of this annual report.

A Year in Review

Agriculture's importance to Saskatchewan, and the role of Saskatchewan Crop Insurance in helping to provide production risk management tools to help sustain this industry, becomes clearer as the challenges to the industry are examined. External forces such as low commodity prices and the rising Canadian dollar coupled with several years of increased production of low quality crops are just some of the difficulties facing the industry. It remains Crop Insurance's role to provide production risk management to mitigate the continual challenges of crop production. We are proud to have served Saskatchewan farmers since 1961. Crop Insurance will continue to develop and deliver production insurance programs that serve the needs of today's agriculture industry.

Saskatchewan Crop Insurance launched the 2005 program in February, meeting the objective to provide producers time to consider the insurance options available as they planned for the year ahead. In addition to the core, multi-peril programs for annual crops, the corporation continued to develop new coverage features and options, improving coverage for forage, organic and diversified operations in this era of changing technology and farm management practices.

Many of the options being explored and piloted meet the objective of expanded and improved coverage within the national mandate of production insurance. Options such as the Crop Averaging Pilot Program which offers coverage above 80 per cent if crops are basketed and the Contract Price Option which allows the use of the producer's contract price in setting the price option for their production guarantee are key enhancements towards meeting the objectives. The corporation also continues to work with industry to expand the number of crop commodities covered by production insurance.

Livestock feed remains a key component of Saskatchewan's agriculture industry. Through 2005, Crop Insurance continued to enhance existing forage options and develop new coverage for producers who grow forage for sale or feed. Forage producers who grow new types of feed crops are now able to insure them under the Forage Diversification Option and better forage production coverage is now available as producers may use their experience on other crops to develop their forage crop coverage.

The producer cost share of total premiums was 38.4 per cent in 2005, increasing from 37.7 per cent in 2004. Under the Agriculture Policy Framework, program cost-sharing will move to 40 per cent paid by producers and 60 per cent paid by governments for 2006. Governments continue to pay all administration costs to deliver production insurance programs.

In 2005, Crop Insurance continued to insure 70 per cent of all land seeded in Saskatchewan. Approximately 30,400 customers insured 25.0 million annual crop and nearly 570,000 forage acres, under the yield-loss programs. Weather-based insurance products insured an additional 3.2 million acres.

Production for 2005 was nearly 30 per cent higher than the ten year average and despite localized claims during the wet harvest season, above average yields were recorded for almost all crops. Cumulatively, Crop Insurance completed more than 16,000 inspections for all claim types and paid $84.5 million to customers. With $277 million in premiums billed in 2005, the combined deficit for the Crop Insurance and federal and provincial reinsurance funds was reduced by approximately $200 million moving into 2006. The deficit now stands at approximately $427 million.

Driven by both the corporation's and the department's strategic plans, Saskatchewan Crop Insurance is committed to mitigating the natural production risks of farming, supporting the efforts of Saskatchewan's producers. Saskatchewan Crop Insurance anticipates further expansion of our products and services, insuring more of the commodities grown in Canada's largest agricultural province. Working with primary producers and industry groups, we can continue to grow this industry and this province.

Stan Benjamin
General Manager
Saskatchewan Crop Insurance Corporation

Overview of Saskatchewan Crop Insurance

Role within Saskatchewan Agriculture and Food

The mandate of Saskatchewan Agriculture and Food (SAF) is to foster a commercially viable, self-sufficient and sustainable agriculture and food sector. According to SAF's performance plan, the department's first Goal is "Effective safety net programs and risk management tools" with Crop Insurance under Objective 5: "Provide crop insurance programs which grains and livestock producers may use to offset production failures and other natural hazards."

Although Saskatchewan Crop Insurance is an agency of SAF, designing and delivering programs that support the department's overall strategy for agriculture, the federal Agricultural Policy Framework (APF) provides the structure and guiding principles for business risk management programs. Under the APF, production (crop) insurance is one of the two programs available to mitigate the risk of farming.

1. **Production Insurance** – Pooled risk insurance providing enrolled customers indemnities in the event of crop loss due to a number of natural perils. The federal and provincial governments and producers cost-share premiums, while administration costs are completely funded by the governments. Claims are paid within the season based on the customer's individual circumstance.

2. **The Canadian Agricultural Income Stabilization (CAIS) Program** – A whole-farm, income-based program available to eligible producers regardless of the commodities they produce, CAIS protects farm operations from both small and large declines in income by integrating income stabilization and disaster protection. Producers can select varying levels of protection for their individual reference margin. Program payments include funds from the participant's account and a government contribution and are made when the participant's margin in the program year falls below their reference margin.

   Production insurance and CAIS are designed to work together to provide maximum protection for producers. Production insurance payments are eligible income under CAIS which increases a producer's reference margin in future years and preserves higher levels of support. There are linkages between the programs to protect producers who participate in production insurance from being financially disadvantaged as compared to producers who participate in CAIS only.

Corporate Risk Management

Risk management is the process of assessing risk to the corporation and then developing strategies to manage those risks. Risks represent potential threats to meeting strategic goals and objectives.

In 2005, Crop Insurance underwent an enterprise-wide risk management project. The project identified, assessed and ranked the corporation's key risks, their potential impact on the corporation and likelihood of occurrence. The process resulted in a final risk profile to assist management in gaining an understanding of the nature and potential for each risk, the mitigation processes that are in place, and information to determine priorities and risk-tolerance levels.

The corporate risk profile defined both strategic and operational risks which were used to develop the 2006–2007 corporate strategic plan and the annual divisional work plans. The following are the key strategic risk categories that Crop Insurance focuses on to reduce the impact on the corporation.

Program Participation and Sustainability

To provide economic stability to the agriculture sector and reduce the financial risk that government may be called upon to provide ad-hoc emergency support, Crop Insurance needs to be considered an effective risk management program by participants and government stakeholders.

Crop Insurance is voluntary. Although Crop Insurance has no direct competition for the specific insurance products the corporation provides, producers can choose to use their dollars for other forms of risk management. To attract producers, the program must be seen as a valuable part of their overall risk management strategy. The features and options provided, like coverage levels and range of crops insured, must be flexible to address the changing needs of the industry, from diversified producers to complex agri-business operations. The program must also evolve with the changing agriculture industry. These needs must be balanced with the program design principles and the financial capacity of each level of government that participates in the program.

To manage this risk, Crop Insurance works with producers, industry groups and associations, the federal government and academia to identify needs, opportunities, challenges and shortcomings of current programs. The corporation maintains an agricultural and insurance research staff whose objective is to assess industry needs and research potential new program designs and programs in other jurisdictions that may be modified to meet the needs of Saskatchewan stakeholders. Changes to programs are typically developed in conjunction with stakeholders to ensure recommended changes address the issues identified and obtain industry support.

Although the foundation of the Crop Insurance program is multi-peril insurance, alternative program designs such as weather-based and proxy insurance models are used to grow the program to meet the needs of the agriculture industry.

Program Financial Stability

One of the fundamental principles critical to the longevity of the Crop Insurance program is that it is an

insurance-based design. To be sustainable as a long-term insurance program, the premiums charged over time must be sufficient to pay the claims incurred. Crop Insurance has a rigourous premium-setting methodology that is certified by an independent actuary.

Since growing conditions and crop suitability vary across Saskatchewan, premium rates are established for each crop using defined risk zones to ensure the base premium rates reflect the expected claim experience for different crops in different parts of the province. The data collected in order to identify risk and calculate premiums is one of the primary assets of the corporation and is continually updated with current information.

Premiums also include a component to address deficit recovery or reserve accumulation requirements. The costs of this component are included in premiums on a provincial basis. This strategy allows the program to recover from a single or multiple catastrophic losses without a drastic drop in the support by all stakeholders. Production catastrophes occur in all parts of the province but not necessarily at the same time. The immediate financial burden caused by such events is spread across the entire base of customers. This provides greater premium stability and encourages higher program participation. In the event that the overall program is in a deficit position, additional premiums are determined to result in a recovery within a fifteen year period. This encourages continued program participation and affordability of premiums.

Along with a rigourous premium rate setting strategy, it is critical that adequate reinsurance is available to Crop Insurance in the event that claims exceed annual premiums and reserves. Without adequate reinsurance arrangements, the ability to pay producer claims may be at risk.

The federal and provincial governments currently provide reinsurance in accordance with the terms set out in the *Canada-Saskatchewan Agriculture Policy Framework Implementation Agreement*. To ensure the long-term sustainability of these arrangements, an actuarial evaluation is to be conducted every five years or sooner if conditions or program changes warrant.

Both levels of government provide reinsurance to Crop Insurance through their own sources. Each level of government is considered to have the necessary borrowing capacity and is able to achieve costs of capital that are at least as attractive as purchasing private sector reinsurance. Furthermore, the third party certification of sustainability gives confidence that any deficits will be recovered over time.

All premiums paid to the Crop Insurance program are available for the purposes of paying claims or reinsurance costs only. Surplus funds are held for future production losses and cannot be utilized by either level of government for other purposes. As a result of this provision and the periodic review of premium and reinsurance rates to ensure their appropriateness, governments have been satisfied that the current reinsurance arrangements should provide for a less expensive program than subscribing to private reinsurance.

Program Delivery

Approximately 30,000 Saskatchewan producers currently purchase Crop Insurance and while the concept of insuring against production loss is simple in theory, the program has increased in complexity in response to expanding needs of producers. To meet the demands of volume, accuracy and timeliness, it is critical that the corporation ensure it has adequate infrastructure.

Crop Insurance has placed a high priority on its human resource and information technology plans. The human resource strategic plan focuses on recruitment, retention and succession planning which is critical to maintaining our ability to deliver and administer the program with skilled staff. The information technology plan focuses on maintaining the leading edge technology that the corporation currently utilizes in delivering services to its customers.

To ensure the integrity of the insurance program, future premiums, and to meet the needs of producers facing crop losses, the adjusting system must ensure that claims are assessed and indemnities are paid in a timely fashion. The corporation uses a variety of strategies that use a risk-based approach to adjusting and determining indemnifiable losses. These strategies are flexible to deal with volume and complexity of claim adjusting. One of these strategies is paying selected post-harvest claims based on production information and without an inspection by an adjuster.

Agronomy, cause of loss identification, customer service and conflict resolution training are provided to field staff to prepare them to accurately assess the loss and promptly process the claim. The risk-based approach to adjusting also involves standardized training modules, policy and procedure manuals, supervision, analytical review, and compliance audits. The corporation places a strong emphasis on process improvement with the primary objective to provide timely and consistent claim processing. The corporation continues to expand the use of indemnity prediction models and remote sensing to provide decision tools for field staff as well as alert stakeholders to claim payment requirements.

2005–2006 Saskatchewan Crop Insurance Strategic Plan

Saskatchewan Agriculture and Food Mandate

Foster a commercially viable, self-sufficient and sustainable agriculture and food sector.

Saskatchewan Crop Insurance Mandate

Develop and deliver federal/provincial safety net risk management programs and service for the agriculture sector.

Vision

We excel at providing innovative agricultural insurance and related products and services and are a respected, integral part of a dynamic Saskatchewan agriculture sector.

Values

Innovation, Open Two-way Communication, Teamwork, Accountability, Honesty, Fairness and Respect

Strategic Plan and Performance Management: Goals, Objectives, Strategic Initiatives and Performance Measures

The performance measures identified are broad-based to help stakeholders assess the performance of the Crop Insurance program. In developing the strategic plan, Crop Insurance followed the balanced scorecard model. The goals, objectives and strategic initiatives have been built around the following perspectives:

1. Customer Products and Services

- Supporting the core grains sector and diversification
- Supporting expansion of the livestock sector
- Working with industry to develop and design programs

2. Financial Management

- Ensuring premium rate methodologies support long-term sustainability of the insurance products available
- Ensuring adequate reinsurance arrangements are in place to guarantee claim payments
- Effective program administration

3. Infrastructure and Internal Business Processes

- Ensuring adequate resources, capacity and processes provide efficient and timely service

4. Learning and Growth

- Meeting the human resource needs to provide customer service excellence

2005–2006 Strategic Plan and Final Results

Strategic Goal 1: Customer Products and Services

Strong risk management programs and services responding to customer and industry needs to support prosperous, environmentally sustainable, agriculture production and processing industries

Objective 1: To provide valuable and innovative core risk management programs and services to customers

Strategic Initiatives	Performance Measures
Research and implement strategies outlined in the Agriculture Policy Framework (APF)	Six programs were continued and expanded to support APF strategies: • Crop Averaging Pilot Program had 48,446 insured acres • Forage Diversification had 792 insured acres • Contract Price Option had 8,456 insured organic acres • Vegetable Insurance Pilot Program had 12.7 insured acres • Corn Heat Unit Pilot Program had 1,810 insured acres • Timothy Hay Pilot Program had 6,860 insured acres
Provide insurance products to meet changing customer needs	Saskatchewan producers insured 70 per cent of annual crop acres seeded. This compares to 70 per cent in 2004, a historical provincial average of 65 per cent and the 2005 national average of 67 per cent. The average coverage level in 2005 was 68 per cent of average yields. This compares to the provincial average of 70 per cent in 2004, the historical average (since 1990, which is the year 80 per cent coverage was first offered) of 70 per cent and the 2005 national average of 74 per cent. Ninety-three per cent of crops seeded in Saskatchewan have insurance plans available. 1,987,947 acres were insured in the Annual Crop Weather Based Insurance Program compared to 1,365,151 in 2004.

Objective 2: To support diversification, livestock and industry expansion through program development

Strategic Initiatives	Performance Measures
Research insurance options for forage producers	Three pilot programs were continued under the Forage Insurance program: the Forage Diversification Option, Corn Heat Unit Pilot Program and the Timothy Hay Pilot Program. 569,644 acres of forage were insured for yield-loss or establishment which is 16 per cent of estimated tame hay acres in Saskatchewan. This compares to a five-year (2000–2004) average of 694,798 insured acres which is 20 per cent of the estimated tame hay acres in Saskatchewan. 1,237,264 acres of pastureland were insured under the Forage Rainfall Insurance Program, which is nine per cent of the estimated grazing acres in Saskatchewan.

Objective 3: To ensure customers have the best crop insurance information available to enable them to make farm management decisions

Strategic Initiatives	Performance Measures
To provide program materials to ensure awareness and understanding of the crop insurance program	The 2006 Saskatchewan Crop Insurance program was announced on February 27, 2006. Materials were delivered to customers on March 1, thereby allowing four weeks for producers to make insurance decisions before the March 31 deadline.
Continue to expand and develop the Saskatchewan Management Plus (SMP) program	7.6 million acres were reported through SMP. This compares to a four-year (2001–2004) average of 6.2 million acres.

Objective 4: To identify opportunities for new innovative products or services to meet industry needs

Strategic Initiatives	Performance Measures
Maintain awareness of agriculture industry changes and identify opportunities to develop products to meet industry needs	The Winter Cereals Canada, Saskatchewan timothy hay producers, Canadian Hay Association, Irrigation Crop Diversification Corporation, Saskatchewan Vegetable Growers Association, Saskatchewan borage producers, Farm Support Review Committee, Saskatchewan Agriculture and Food and Agriculture and Agri-Food Canada are examples where industry participated in program design for 2005–2006.

Strategic Goal 2: Financial Management

Effective and efficient public service, contributing to government goals and objectives

Objective 1: To ensure sound financial management

Strategic Initiatives	Performance Measures
Prudent receivables management	Ninety per cent of 2005 producer premiums were collected to March 31, 2006, which compares to a 96 per cent average for the previous 11 years. Eight per cent of the uncollected 2005 premiums were due to outstanding payment arrangement balances. In total, 458 contracts were cancelled for non-payment at the end of 2005–2006, representing 1.5 per cent of all contract holders. This compares to 300 contracts cancelled in 2004–2005 and the average of 214 for the previous five-year period.

Strategic Initiatives	Performance Measures
Maintain and develop partnerships with third party agencies	Third party services offered on a cost-recovery basis in 2005 generated revenue of $174,552. This compares to $219,131 in 2004 and $177,700 in 2003. 3,632 staff hours were spent on completing third party revenue generation work during 2005–2006, which compares to 4,062 hours in 2004–2005.
Ensure appropriate reinsurance is in place as defined by government stakeholders	All reinsurance claims have been paid. The corporation has reinsurance in place as per Schedule 3 to Annex B of the *Canada-Saskatchewan Agriculture Policy Framework Implementation Agreement.*
Adhere to sound insurance practices and actuarial principles	There were no major deficiencies identified that resulted in significant federal/provincial material holdback of premium. 2005 probable yield tests are required for canary seed and lentil-other as they remained in the watch category following the 2004 probable yield test—$1.3 million in federal holdbacks is in effect. $4,500 in probable yield holdbacks for greenfeed and sweetclover for 2004 and 2005 crop year are in effect.

Objective 2: To be proactively accountable to our stakeholders

Strategic Initiatives	Performance Measures
To develop privacy procedures for Crop Insurance under the privacy legislation including the Personal Information Protection and Electronic Documents Act and Freedom of Information and Protection of Privacy Act	Staff training procedure in place. An action plan is in place for 2006–2007 to meet privacy requirements. Crop Insurance implementation of privacy legislation requirements is on par with the rest of the provincial government.
To ensure the integrity of the program	Over the 2005 crop year, the audit division performed 3,117 audits identifying $1.704 million in indemnity differences when claims were adjusted. This compares to 1,956 audits in 2004 which identified $1.587 million in indemnity differences when claims were adjusted.

Objective 3: To ensure fiscal administrative responsibility

Strategic Initiatives	Performance Measures
Manage long-term risk	Two projects were initiated to manage long-term risk: • development of expanded indemnity prediction • development of an Internal Audit Function
Provide a cost-effective program delivery	**2005–2006** — **Saskatchewan** — **Canada** Admin to liability — 1.31% — 0.88% Admin to premiums — 0.88% — 11.30% Admin per acre insured ($) — 0.86 — 1.42 Admin per contract ($) — 810.00 — 914.00

Strategic Goal 3: Infrastructure and Internal Business Processes

Effective and innovative delivery of programs and services

Objective 1: To ensure our infrastructure meets the evolving delivery needs of our core business

Strategic Initiatives	Performance Measures
Evaluate business processes to develop online business applications	Currently, there are seven business applications available via CropConnect. As of March 31, 2006 there were 2,800 customers enrolled in CropConnect compared to 2,559 as of March 31, 2005. There were 34,069 visitors to the Crop Insurance website, www.saskcropinsurance.com. The average number of visits per day was 290.

Objective 2: To continue to focus on quality, improving efficiency and productivity

Strategic Initiatives	Performance Measures
Implement strategies to identify process improvements for customers	A total of 668 claims were paid from 1,028 eligible for payment by declaration. 90 per cent of the claims paid by declaration were within corporate tolerance levels for paying a claim without an inspection. Claims that were outside of the tolerance levels were verified in addition to a random 10 per cent that were within tolerance levels. No major issues were identified from the verification results.
Provide efficient customer service by keying customer information and claims at source	For the 2005 crop year, 68 per cent of yield-loss claims were keyed at source. This compares to 41 per cent of yield-loss claims in 2004–2005 and 37 per cent in 2003–2004.

Strategic Goal 4: Learning and Growth

A learning organization and workplace of choice investing in staff to enhance their capability to reach their potential

The objectives under this goal focused on employees and the knowledge and tools they needed to achieve excellent customer service and personal growth. The objectives and actions of this goal were internally focused. Reporting and accountability for this goal were internally directed.

2005–2006 Financial Results

The 2005–2006 financial statements begin on page 19 of this annual report, and the following provides an explanation of the variances between the budgeted and actual results.

Saskatchewan Crop Insurance is a provincial Crown Corporation and receives funding through an appropriation of the Legislature for premium contributions, administration and interest charges on the provincial share of the program deficit. The corporation is required to present actual and budgeted provincial expenditures and explain the variances.

Premiums are cost-shared by the federal and provincial governments and producers; therefore only the provincial share of premiums is included in the budget. Federal government and producer premiums are paid directly to the corporation. Specific amounts are not budgeted for annual claim costs as the premium setting and reinsurance arrangements are actuarially certified to provide adequate revenue to meet these expenses in the long term.

Program delivery costs, or administration expenses, are paid 60 per cent by the federal government and 40 per cent by the provincial government. The federal share of these costs is paid directly to the province's General Revenue Fund. The budget amount reflects 100 per cent of the estimated cost in order to provide for both the provincial amount and transfer of the federal contribution.

Saskatchewan Finance charges Saskatchewan Crop Insurance with interest on the provincial share of the current program deficit. However, the *Canada-Saskatchewan Agriculture Policy Framework Implementation Agreement* stipulates that each level of government is responsible for the interest costs on their own share of any deficit. In order to pay Saskatchewan Finance, the corporation receives an appropriation in the budget.

The following information provides an explanation of the budgeted and actual amounts derived from the Government of Saskatchewan.

	2005–2006 Estimates $000s	2005–2006 Actuals $000s	Variances over (under) $000s	Notes
Premiums	$305,859,500	$277,203,621	$ (28,655,879)	1
Reinsurance premiums	91,325,850	82,400,477	(8,925,373)	2
Indemnities	217,932,000	75,851,836	(142,080,164)	3
Reinsurance recoveries	3,598,350	8,634,073	5,035,723	4
Other	(200,000)	(35,176)	164,824	
Excess (deficiency) of revenue over expenses from insurance operations	$ —	$127,550,205	$127,550,205	
Program delivery – net of other administration revenue	$ 24,235,000	$ 24,018,635	$ (216,365)	

Notes:

1. For the 2005–2006 budget it was asssumed that insured acres would recover by three per cent and participation in the weather-based insurance programs would increase by 50 per cent.
2. Reinsurance premiums were impacted the same as premiums per Note 1.
3. Estimated indemnities were based on a normal claim volume with an indemnity to liability ratio of 11 per cent. The actual ratio was 3.58 per cent.
4. Estimated reinsurance recoveries were primarily due to 2005–2006 estimated indemnities exceeding net premiums. The actual reinsurance recoveries were due to 2004 crop year indemnities paid in 2005–2006 exceeding the March 31, 2005 estimate.

2006–2007 Strategic Plan

Strategic Goal 1: Customer Products and Services

Strong risk management programs and services responding to customer and industry needs to support prosperous, environmentally sustainable, agriculture production and processing industries

Objective 1: To provide valuable and innovative core risk management programs and services to customers

Strategic Initiatives	Performance Measures
Research and implement strategies outlined in the Agriculture Policy Framework	Number of programs implemented or program enhancements made
Provide insurance products to meet changing customer needs	Percentage of insured acres compared to seeded acres for annual crops and long-term trends Average coverage level purchased on insured crops and long-term trends Percentage of insured crops to seeded crops Number of acres insured in the Annual Crop Weather Based Insurance Program

Objective 2: To support diversification, livestock and industry expansion through program development

Strategic Initiatives	Performance Measures
Research insurance options for forage producers	Percentage of insured forage acres to forage acres seeded as compared to long-term trends Number of acres insured in the Forage Rainfall Insurance Program compared to previous years Number of acres insured in the Corn Heat Unit Pilot Program compared to previous years
Research insurance options for diversified crops	Acres insured under the New Crops Insurance Program

Objective 3: To ensure customers have the best crop insurance information available to enable them to make farm management decisions

Strategic Initiatives	Performance Measures
To provide program materials to ensure awareness and understanding of the crop insurance program	Program materials delivered on time
Continue to expand and develop the Saskatchewan Management Plus (SMP) program	Number of acres enrolled in the SMP program compared to previous years

Objective 4: To identify opportunities for new innovative products or services to meet industry needs

Strategic Initiatives	Performance Measures
Maintain awareness of agriculture industry changes and identify opportunities to develop products to meet industry needs	Number of innovative program opportunities implemented

Strategic Goal 2: Financial Management

Effective and efficient public service, contributing to government goals and objectives

Objective 1: To ensure sound financial management

Strategic Initiatives	Performance Measures
Prudent receivables management	Ratio of current year's premiums collected to invoiced compared to long-term trends
Maintain and develop partnerships with third party agencies	Amount of third party revenue generated compared to long-term trends Number of hours staff spend on completing third party generation work compared to long-term trends Number of agencies Crop Insurance has a contract with
Ensure appropriate reinsurance is in place as defined by government stakeholders	Expected payback period for federal-provincial reinsurance funds
Adhere to sound insurance practices and actuarial principles	The number of instances of material shortcomings or limitations recorded in certifications Commodities affected and magnitude of federal holdbacks due to overdue certification tests

Objective 2: To be proactively accountable to our stakeholders

Strategic Initiatives	Performance Measures
To develop privacy procedures for Crop Insurance under the privacy legislation including the Personal Information Protection and Electronic Documents Act and Freedom of Information and Protection of Privacy Act	Number of procedures implemented
To ensure the integrity of the program	Number of claim compliance audits compared to long-term trends

Objective 3: To ensure fiscal administrative responsibility

Strategic Initiatives	Performance Measures
Manage long-term risk	Number of action plans implemented to manage corporate risk
Provide cost-effective program delivery	Ratios comparing administration expenses to liability, premiums, acres and contracts as compared to long-term trends

Strategic Goal 3: Infrastructure and Internal Business Processes

Effective and innovative delivery of programs and services

Objective 1: To ensure our infrastructure meets the evolving delivery needs of our core business

Strategic Initiatives	Performance Measures
Implement the Internal Audit Plan	Number of internal audit projects completed
Evaluate business processes to develop online business applications	Number of business applications available on CropConnect Number of customers enrolled in CropConnect compared to the previous year Crop Insurance website traffic and usage statistics
Update the corporate Business Continuity Plan	Plan updated and tested on time

Objective 2: To continue to focus on quality, improving efficiency and productivity

Strategic Initiatives	Performance Measures
Implement strategies to identify process improvements for customers	Under development
Ensure timely post-harvest claim payments, enabling eligible customers to complete a claim by declaration	Percentage of total claims completed by declaration and verification results
Provide efficient customer service by keying customer information and claims at source	Percentage of claims keyed at source

Strategic Goal 4: Learning and Growth

A learning organization and workplace of choice investing in staff to enhance their capability to reach their potential

The objectives under this goal focus on employees and the knowledge and tools they need to achieve excellent customer service and personal growth. The objectives and actions of this goal are internally focused. Reporting and accountability for this goal are internally directed.

2006–2007 Budget Overview

The corporation's 2006–2007 budget is:

	2006–2007 Estimates $000s	Notes
Premiums	$276,700,000	1
Reinsurance premiums	82,521,720	2
Indemnities	197,178,280	3
Other	3,000,000	4
Excess (deficiency) of revenue over expenses from insurance operations	$ —	
Program delivery – net of other administration revenue	$ 26,216,000	5

Notes:

1. The budget is based on:
   - 12 per cent decrease in prices to reflect weakening commodity markets.
   - No change in seeded acres from 2005–2006 levels (35.8 million), but a three per cent increase in insured acres.
   - Average coverage level increases from 68.4 per cent to 70.4 per cent.
2. Reinsurance premiums are impacted the same as premiums per Note 1.
3. Estimated indemnities were based on a normal claim volume with an indemnity to liability ratio of 11 per cent.
4. The budget for Other is due to estimated interest earnings of $4 million offset by bad debts of $1 million.
5. The program delivery budget provides for a 2.1 per cent inflationary increase and a normal claims volume.

Management's Report

Responsibility for Financial Statements

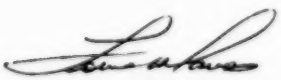
The financial statements of the Saskatchewan Crop Insurance Corporation are the responsibility of management and prepared in accordance with Canadian generally accepted accounting principles applied on a basis consistent with that of the preceding year. Management has applied its best judgment where estimates are required using all information available up to June 22, 2006. Other financial information in the annual report is consistent with that provided in these financial statements.

The corporation's accounting system and systems of internal control are maintained to provide reasonable assurance that transactions are properly authorized and recorded, that assets are properly safeguarded and that the financial information is relevant and reliable.

The corporation's external auditor, KPMG LLP, has audited these financial statements and conducted a review of internal accounting policies and procedures to the extent required to enable them to express an opinion on these financial statements.

The board of directors of the Saskatchewan Crop Insurance Corporation is responsible for overseeing management's performance of its financial responsibilities and has reviewed and approved these financial statements.

Stan Benjamin
General Manager



Lorne Warnes
Executive Manager, Finance and Administration

June 22, 2006

Auditors' Report

To the Members of the Legislative Assembly of the Province of Saskatchewan

We have audited the statement of financial position of the Saskatchewan Crop Insurance Corporation as at March 31, 2006 and the statements of operations and net assets and cash flows for the year then ended. These financial statements are the responsibility of the corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the corporation as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants
Regina, Canada

June 22, 2006

Saskatchewan Crop Insurance Corporation

Statement of Financial Position

March 31, 2006 with comparative figures for 2005

Assets	**2006**	**2005**
Cash	$ 99,372	$ 150,992
Investments (note 4)	3,248,140	2,798,628
Due from the Province of Saskatchewan General Revenue Fund (note 3)	99,090,974	4,098,234
Accrued interest and other receivables	995,403	286,469
Transfers receivable from Province of Saskatchewan	1,966,660	1,754,079
Premiums receivable from producers	10,879,187	5,094,792
Premiums receivable from the Province of Saskatchewan	10,478,139	4,644,729
Premiums receivable from the Government of Canada	8,748,928	9,776,485
Indemnities receivable from Crop Reinsurance Fund of Saskatchewan	152,937,045	183,739,341
Indemnities receivable from Crop Reinsurance Fund of Canada for Saskatchewan	1,451,860	26,044,787
Prepaid expenses	220,326	213,852
Property, plant and equipment (note 5)	1,810,597	2,068,716
	$291,926,631	$240,671,104
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	$ 2,386,699	[1]$ 2,495,013
Deferred indemnities payable	168,324	947,563
Indemnities payable (note 7)	4,663,080	10,828,541
Loans payable to the Province of Saskatchewan General Revenue Fund (note 6)	152,600,377	221,058,406
Deferred administration revenue (note 8)	4,557,946	5,341,581
	164,376,426	240,671,104
Net assets	127,550,205	—
	$291,926,631	$240,671,104

Commitments and contingencies (note 11)
See accompanying notes to financial statements.

On behalf of the Board:

Chair

Vice-Chair

Saskatchewan Crop Insurance Corporation

Statement of Operations and Net Assets

Year Ended March 31, 2006 with comparative figures for 2005

	2006	2005
Revenue		
Premiums:		
Producers	$105,359,664	$109,053,827
Government of Saskatchewan	68,733,815	72,989,953
Government of Canada	103,110,142	109,460,583
	277,203,621	291,504,363
Less reinsurance premiums ceded:		
Crop Reinsurance Fund of Canada for Saskatchewan	49,439,663	52,193,300
Crop Reinsurance Fund of Saskatchewan (note 1)	32,960,814	34,798,502
	82,400,477	86,991,802
Net premiums	194,803,144	204,512,561
Interest income	2,269,823	1,010,423
Province of Saskatchewan – General Revenue Fund interest financing (note 6)	6,894,860	6,116,929
New Crops Loss Recovery (note 1)	477,781	3,297,107
	204,445,608	214,937,020
Expenses		
Indemnities (note 7)	75,851,836	392,124,346
Bad debts	2,782,780	507,513
Interest expense (note 6)	6,894,860	6,116,929
	85,529,476	398,748,788
Reinsurance Recovery		
Crop Reinsurance Fund of Canada for Saskatchewan	6,475,555	98,633,674
Crop Reinsurance Fund of Saskatchewan	2,158,518	84,355,015
	8,634,073	182,988,689
Excess (deficiency) of revenue over expenses from insurance operations, before administration revenue and expenses	127,550,205	(823,079)
Administration Revenue		
Province of Saskatchewan operating grant (note 8)	24,018,635	25,764,791
Other administration revenue	642,252	428,268
	24,660,887	26,193,059
Administration expenses (Schedule 1)	24,660,887	26,193,059
Excess (deficiency) of revenue over expenses	127,550,205	(823,079)
Net assets, beginning of year	—	823,079
Net assets, end of year	$127,550,205	$ —

See accompanying notes to financial statements.

Saskatchewan Crop Insurance Corporation

Statement of Cash Flows

Year Ended March 31, 2006 with comparative figures for 2005

	2006	2005
Cash Provided by (Used In):		
Operating Activities		
Excess (deficiency) of revenue over expenses	$127,550,205	$ (823,079)
Item not affecting cash:		
Amortization	896,613	1,040,262
Change in non-cash operating items:		
Accrued interest and other receivables	(708,934)	(95,689)
Premiums receivable from producers	(5,784,395)	(74,024)
Premiums receivable from the Province of Saskatchewan	(5,833,410)	1,359,386
Premiums receivable from the Government of Canada	1,027,557	4,997,762
Indemnities receivable from Crop Reinsurance Fund of Saskatchewan	30,802,296	(49,091,138)
Indemnities receivable from Crop Reinsurance Fund of Canada for Saskatchewan	24,592,927	(21,973,002)
Prepaid expenses	(6,474)	(34,325)
Accounts payable and accrued liabilities	(108,314)	76,810
Deferred indemnities payable	(779,239)	186,861
Indemnities payable	(6,165,461)	10,543,164
Reinsurance premium payable to Crop Reinsurance Fund of Saskatchewan	—	(465,375)
Deferred administration revenue	(783,635)	(164,791)
	164,699,736	(54,517,178)
Financing		
Increase in transfers receivable from the Province of Saskatchewan	(212,581)	(1,200,678)
Proceeds from loans payable to the Province of Saskatchewan - General Revenue Fund	25,120,769	182,699,568
Repayments of loans payable to the province of Saskatchewan - General Revenue Fund	(93,578,798)	(138,000,000)
	(68,670,610)	43,498,890
Investment Activities		
Purchase of property, plant and equipment	(638,494)	(569,575)
Increase (decrease) in cash and cash equivalents	95,390,632	(11,587,863)
Cash and cash equivalents, beginning of year	7,047,854	18,635,717
Cash and cash equivalents, end of year	$102,438,486	$ 7,047,854
Represented by:		
Cash	$ 99,372	$ 150,992
Investments	3,248,140	2,798,628
Due from Province of Saskatchewan General Revenue Fund	99,090,974	4,098,234
	$102,438,486	$ 7,047,854

See accompanying notes to financial statements.

Saskatchewan Crop Insurance Corporation

Administration Expenditures

Year Ended March 31, 2006 with comparative figures for 2005

Schedule 1

	2006	2005
Adjusting and grain grading wages and expenses	$ 6,356,524	$ 8,183,104
Advertising	416,452	447,122
Amortization	896,613	1,040,262
Appeal Panel and Board of Directors meetings	83,626	115,510
Collection fees	17,840	12,003
Computer	1,902,830	1,959,425
Office rental	1,143,105	1,078,571
Office supplies and duplicating	354,889	440,254
Other	308,928	308,653
Postage	368,723	376,907
Professional fees	1,026,735	552,545
Salaries and benefits	10,573,291	10,550,385
Telephone	266,013	290,726
Travel and sustenance	945,318	837,592
	$ 24,660,887	$ 26,193,059

See accompanying notes to financial statements.

Saskatchewan Crop Insurance Corporation

Notes to Financial Statements

March 31, 2006

1. Status of the corporation:

The Saskatchewan Crop Insurance Corporation (the corporation), a provincial Crown Corporation, was established under *The Crown Corporations Act* and continued under *The Crop Insurance Act*.

The corporation administers the federal/provincial Crop Insurance Program. In addition, on behalf of the Saskatchewan Agricultural Stabilization Fund, the corporation administers the Waterfowl Damage Compensation, New Crops Insurance, Big Game Damage Compensation, and Canada-Saskatchewan Assistance accounts. The financial results of the Saskatchewan Agricultural Stabilization Fund are reported separately.

The Canada-Saskatchewan Agriculture Policy Framework Implementation Agreement requires that reinsurance funds be established by the Government of Canada and the Government of Saskatchewan. These reinsurance funds receive reinsurance premiums from the corporation and, under certain circumstances, pay reinsurance benefits to the corporation.

Crop insurance rates and reinsurance premiums are set such that the Crop Insurance Program is actuarially sound over the long term. Any indemnities receivable, in excess of assets within the Crop Reinsurance Fund of Saskatchewan, will be recovered through future reinsurance premiums paid by the corporation. If these future reinsurance premiums are insufficient to pay reinsurance benefits and repay this receivable, the Government of Saskatchewan is required to fund any deficiency.

The Crop Reinsurance Fund of Saskatchewan is administered by the corporation. The operations, assets and liabilities of this reinsurance fund are reported in separate financial statements as required by the *Canada-Saskatchewan Agriculture Policy Framework Implementation Agreement*.

As a crown entity, the corporation is not subject to federal or provincial income tax, or federal goods and services tax.

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Property, plant and equipment:

Property, plant and equipment are capitalized and amortized over their useful lives. They are recorded on the balance sheet at their net book value.

Amortization is charged against operations, and is provided on a straight line basis over the estimated useful lives of the assets.

The rates of amortization are:

Equipment	20%
Leasehold improvements	20%
Computer equipment	20%

Cash and cash equivalents:

Cash and cash equivalents consist of cash, short-term investments with a maturity of 90 days or less and the corporation's insurance fund bank account which is included in the Consolidated Offset Bank Concentration arrangement for the Government of the Province of Saskatchewan (note 3).

Investments:

Investments are recorded at cost less any writedown required to reflect a permanent impairment in value, which is considered other than temporary in nature.

Indemnities payable:

Indemnities payable represents estimates of the total cost of outstanding claims at the year-end date. Measurement of the indemnities payable is uncertain as all of the necessary information for reported claims is not always available as of the year-end and therefore estimates are made as to the value of these claims. As a result, indemnities payable are selected from a range of possible outcomes and actual results may differ materially from the estimate.

Premium revenue recognition:

Crop insurance is a cost-shared program. Premium payments, for each of the last two years, are cost-shared as follows:

Year	Producers %	Federal Gov't. %	Provincial Gov't. %
2005–2006			
Base (50%) coverage	23	46.2	30.8
Buyup (60-80%) coverage	50	30	20
Weather derivatives	38.4	37	24.6
Weather derivatives top-up	66.7	20	13.3
2004–2005			
Base (50%) coverage	20	48	32
Buyup (60-80%) coverage	50	30	20
Weather derivatives	37	37.8	25.2
Weather derivatives top-up	66.7	20	13.3

Premiums, including the producer and federal and provincial governments' contributions, are recognized as income when invoiced to producers.

Saskatchewan Crop Insurance Corporation

Notes to Financial Statements

March 31, 2006

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the valuation of the allowance for doubtful premiums receivable and of indemnities payable. Actual results could differ materially from those estimated.

3. Due from Province of Saskatchewan General Revenue Fund:

The corporation's insurance bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of the Province of Saskatchewan.

Interest is earned on these funds at the government's thirty day borrowing rate, and is based on the corporation's average daily account balance. Interest is paid by the Province of Saskatchewan General Revenue Fund to the corporation on a quarterly basis. During the current year, the average rate was 2.82 per cent (2005 – 2.19 per cent).

4. Investments:

The corporation's investments are in term deposits maturing during the first week of April 2006 with effective interest rate of 3.77 per cent (2005: first week of April 2005 and 2.55 per cent, respectively).

5. Property, plant and equipment:

	Cost	Accumulated Amortization	2006 Net Book Value	2005 Net Book Value
Equipment	$ 2,760,184	$ 2,671,982	$ 88,202	$ 154,062
Leasehold improvements	956,672	814,820	141,852	138,476
Computer equipment	17,287,307	15,706,764	1,580,543	1,776,178
	$21,004,163	$19,193,566	$1,810,597	$2,068,716

6. Loans payable to the Province of Saskatchewan General Revenue Fund:

At March 31, 2006 the Crop Reinsurance Fund of Saskatchewan is in a deficit position, and significant reinsurance recoveries are receivable from the Crop Reinsurance Fund of Canada for Saskatchewan. As a result, the General Revenue Fund has provided three loans to the corporation.

The first loan is for $53,000,000 (2005 – $121,578,798) from a line of credit established with the Province of Saskatchewan's General Revenue Fund. Interest is charged to the corporation on a quarterly basis at the Province's short-term borrowing rate, which averaged 3.05 per cent (2005 – 2.42 per cent). This loan is due June 30, 2006.

The second loan is for $49,649,520 (2005 – $49,548,949) and bears interest at the rate of 4.75 per cent (2005 – 4.75 per cent). Interest on this loan is financed by an appropriation from the General Revenue Fund. This loan has a maturity date of September 24, 2009.

The third loan is for $49,950,857 (2005 – $49,930,658) and bears interest at the rate of 3.90 per cent (2005 – 3.90 per cent). Interest on this loan is financed by an appropriation from the General Revenue Fund. This loan has a maturity date of September 5, 2008.

These loans may be retired earlier or extended based on the operating results of the insurance program.

7. Indemnities payable:

Due to weather conditions, some prior year claims could not be finalized by March 31, 2006.

The cost of these claims was estimated to be $4.7 million (2005 – $10.8 million).

8. Deferred administration revenue:

Under the terms of federal-provincial agreements, eligible administration revenue and expenses are shared 60 per cent by the Government of Canada and 40 per cent by the Government of the Province of Saskatchewan.

Government of Canada contributions are paid to the Government of the Province of Saskatchewan General Revenue Fund, which remits them to the corporation.

To the extent this funding was not required to pay administration fund expenses of the current year it has been deferred and shown as deferred administration revenue and will be used to fund future administration expenses.

Notes to Financial Statements

March 31, 2006

Details of administration funding received and recorded as revenue follows:

	2006	2005
Deferred administration revenue, beginning of year	$ 5,341,581	$ 5,506,372
Province of Saskatchewan General Revenue Fund net operating grant received	23,235,000	25,600,000
Net operating grant recorded as revenue	(24,018,635)	(25,764,791)
Deferred administration revenue, end of year	$ 4,557,946	$ 5,341,581

9. Pension plans:

The corporation's employees participate in either the Public Service Superannuation Plan, a multi-employer defined benefit pension plan, or the Public Employees Pension Plan, a multi-employer defined contribution pension plan. Pension costs of $679,727 (2005 – $684,877) are included in salaries and benefits and comprise the cost of employer contributions for current service of employees during the year.

The corporation's liability is limited to the required contributions.

10. Related party transactions:

Included in these financial statements are transactions with various Saskatchewan crown corporations, departments and agencies related to the corporation by virtue of common control exercised by the Government of the Province of Saskatchewan.

In addition, one of the corporation's directors is a partner in an organization which provided professional services to the corporation. During the current year these services amounted to $348,563 (2005 – $293,258).

Routine operating transactions with related parties are measured at agreed upon exchange rates under normal trade terms. These financial statements include the following balances from and transactions with related parties:

	2006	2005
Accounts payable and accrued liabilities	$ 248,556	$ 230,415
Administration expenses	5,089,880	5,128,950

Other related-party transactions are disclosed elsewhere in these financial statements.

11. Commitments and contingencies:

Commitments:

The corporation is committed to the Department of Property Management, a related crown entity, for several leases for office space with annual payments of $1,140,749. The leases are currently renewable on an annual basis.

The corporation is also committed to other corporations for the purchase of weather data and the lease of equipment for weather stations around Saskatchewan. Minimum payments are $567,412 for next year and $435,133 for the following year.

Contingencies:

Pursuant to *The Canada-Saskatchewan Agriculture Policy Framework Implementation Agreement*, in the event the agreement is terminated and no new agreement is entered into, all property, plant and equipment funded by the agreement shall be disposed of and the proceeds shall be shared equally by the Government of the Province of Saskatchewan and the Government of Canada. As of March 31, 2006, all property, plant and equipment owned by the corporation had been funded by this agreement.

Various legal actions for additional crop insurance indemnity payments have been initiated against the corporation. Presently, the corporation is actively defending these cases. While the outcome of these claims cannot be determined, management is of the opinion that the result of these actions will not have a material impact on the corporation's financial position.

12. Fair value of financial assets and financial liabilities:

Collection of the amounts due from the Crop Reinsurance Fund of Saskatchewan is dependent upon the level of future reinsurance premiums ceded and reinsurance recoveries and, accordingly, their fair value cannot be estimated.

Based on current market rates for similar debt, the fair value of the corporation's loans payable to the Province of Saskatchewan General Revenue Fund is approximately $159,700,000 (2005 – $226,800,000).

The fair value of all other financial assets and liabilities approximates their carrying value due to their short-term nature.

Crop Reinsurance Fund of Saskatchewan

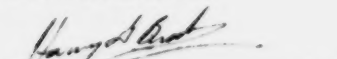
Statement of Financial Position

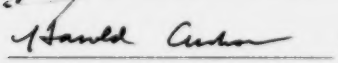
March 31, 2006 with comparative figures for 2005

	2006	2005
Assets		
Due from Province of Saskatchewan General Revenue Fund (note 3)	$ 512	$ 512
	$ 512	$ 512
Liabilities and Deficiency		
Indemnities payable to Saskatchewan Crop Insurance Corporation	$152,937,045	$183,739,341
Deficiency	(152,936,533)	(183,738,829)
	$ 512	$ 512

See accompanying notes to financial statements.

On behalf of the Board:


Chair


Vice-Chair

Crop Reinsurance Fund of Saskatchewan

Statement of Operations and Deficiency

Year Ended March 31, 2006 with comparative figures for 2005

	2006	2005
Revenue		
Reinsurance premium ceded from the Saskatchewan Crop Insurance Corporation	$ 32,960,814	$ 34,798,502
Expenditure		
Reinsurance claim from Saskatchewan Crop Insurance Corporation	2,158,518	84,355,015
Excess (deficiency) of revenue over expenses	30,802,296	(49,556,513)
Deficiency, beginning of year	(183,738,829)	(134,182,316)
Deficiency, end of year	$(152,936,533)	$(183,738,829)

See accompanying notes to financial statements.

Crop Reinsurance Fund of Saskatchewan

Notes to Financial Statements

March 31, 2006

1. Status of the fund:

The Canada-Saskatchewan Agriculture Policy Framework Implementation Agreement between the Government of the Province of Saskatchewan and the Government of Canada provides for the establishment of two reinsurance funds:

a) The Crop Reinsurance Fund of Saskatchewan which is administered by the Government of the Province of Saskatchewan, and

b) The Crop Reinsurance Fund of Canada for Saskatchewan which is administered by the Government of Canada.

2. Significant accounting policies:

Reinsurance premium ceded from the Saskatchewan Crop Insurance Corporation:

Under the terms of the agreement referred to in Note 1, the Saskatchewan Crop Insurance Corporation is required to pay reinsurance premiums to the reinsurance funds based on premiums received during the insurance year.

Liability for claim payments from the reinsurance funds:

Under the terms of the agreement referred to in Note 1, payments are required from the reinsurance funds if indemnities which were required to be paid in an insurance year exceeded the aggregate of:

a) the premium receipts for the year less reinsurance premiums ceded, and

b) the net assets of the Saskatchewan Crop Insurance Corporation's Crop Insurance Fund.

To the extent that payments are required out of the reinsurance funds, the Crop Reinsurance Fund of Saskatchewan is responsible for an amount not exceeding 2.50 per cent (2005 – 2.50 per cent) of the total liability under policies in force in the insurance year. However, the Crop Reinsurance Fund of Saskatchewan is not required to pay any amounts if it has made a payment in previous years and the payment that has not yet been recovered from its operations exceeds 16.67 per cent of the total liability of the policies in force for the current year.

The balance of indemnities that exceed the net assets in the Saskatchewan Crop Insurance Corporation are shared 75 per cent by the Reinsurance Fund of Canada for Saskatchewan and 25 per cent by the Reinsurance Fund of Saskatchewan.

Crop insurance rates and reinsurance premiums are set such that the Crop Insurance Program is actuarially sound over the long term. Any indemnities payable to the Saskatchewan Crop Insurance Corporation, in excess of assets within the Crop Reinsurance Fund of Saskatchewan, will be recovered through future reinsurance premiums paid by the Saskatchewan Crop Insurance Corporation. If these future reinsurance premiums are insufficient to allow the Crop Reinsurance Fund of Saskatchewan to repay this payable, the Government of Saskatchewan is required to fund any deficiency.

Indemnities payable to Saskatchewan Crop Insurance Corporation:

This includes estimates of the total cost of outstanding claims at the year-end date. Measurement of the indemnities payable is uncertain as all of the necessary information for reported claims is not always available as of the year-end and therefore estimates are made as to the value of these claims. As a result, indemnities payable are selected from a range of possible outcomes and actual results may differ materially from the estimate.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ materially from those estimated.

3. Due from Province of Saskatchewan General Revenue Fund:

The Crop Reinsurance Fund bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of the Province of Saskatchewan.

Interest earned on these funds is not allocated to the Crop Reinsurance Fund.

4. Statement of cash flows:

A statement of cash flows has not been prepared as a separate statement would not provide additional, useful information.

5. Fair value of financial assets:

Settlement of the indemnities payable to the Saskatchewan Crop Insurance Corporation is dependent upon the level of future reinsurance premiums ceded and indemnities payable, and, accordingly its fair value cannot be estimated.

Appendix 1: 2005 at a Glance

Winter 2004/2005

- Snowfall in the grainbelt varied from below normal in central areas of the province to near normal in southern areas and above normal in northern areas.
- Two to three per cent of the 2004 crop remained in the field over winter.

Spring 2005

- April was dry with above normal temperatures, allowing seeding to begin in southern regions by the third week of the month.
- Cooler weather and variable precipitation in May delayed seeding progress, with 85 per cent of the crop planted by the end of the month.

Summer 2005

- June was wet, tied with June 1953 for the wettest June on record, resulting in reports of surplus topsoil moisture and flooding. These conditions delayed remaining seeding and spraying operations.
- Saskatchewan producers seeded approximately 35.4 million acres, second only to 2004.
- The 2005 hay production was good provincially for both first and second cuts with quality rating good to excellent. At the end of June, 98 per cent of pastures were reported to be good to excellent.
- August precipitation was variable, with amounts well above normal in most regions except the south central regions. High temperatures reduced yields in the southwest.

Fall 2005

- By the end of September, harvest was close to 70 per cent complete.
- Late-season rains, particularly in central and northern areas, forced harvest operations into November, significantly reducing crop quality.
- Producers were expected to harvest 30.5 million tonnes of the major grains, oilseeds and specialty crops, 28 per cent above the ten-year average. The overall quality of the crop was below average with the exception of oilseeds.

Saskatchewan Agriculture and Food "Crop Report", Number 32, November 16, 2005

Appendix 2: 2005–2006 Saskatchewan Crop Insurance Program

Saskatchewan Crop Insurance assists producers in managing their operation's production risk over the crop year. The regular, multi-peril Crop Insurance program guarantees customers a minimum yield and quality of grain while additional program options allow producers to tailor their coverage to their operation. The following is a summary of the Crop Insurance program that was available to producers from March 31, 2005 to February 28, 2006.

Insured Perils

Crop Insurance offers coverage against specific uncontrollable natural perils: drought, excessive rain, flood, hail, frost, snow, wind, lightning, hurricane, tornado, accidental fire, damage caused by wildlife, insects and plant disease. If the loss is due to farm management practices, the non-performance of a third party's products or third-party damage, coverage may be reduced or denied.

Insurable Crops

Under the regular, multi-peril program, insurable crops in 2005 were: hard red spring wheat, extra strong red spring wheat, Canada Prairie spring wheat, durum, winter wheat, barley, oats, canary seed, flax, canola, fall and spring rye, sunflowers, mustard (yellow, brown and oriental), field peas, lentils (large green, red and other), triticale and fababeans.

Insurable forage crops were tame hay, greenfeed, dehydrated alfalfa and sweetclover. The Forage Rainfall Insurance Program provided single-peril coverage on native grass and tame grazing acres. The Corn Heat Unit Pilot Program insured feed corn in designated areas in the province.

The New Crops Insurance Program provided protection on alfalfa seed, biennial caraway, coriander, Khorasan wheat, dry beans (irrigated including pinto, black and others and non-irrigated including pinto and black), chickpeas (Desi, small and large seed Kabuli), potatoes and, new for 2005, vegetables.

Crops not insurable under the multi-peril, forage or new crops programs may be eligible for coverage under either the Diversification Option or Forage Diversification Option.

Insured Price

For most crops, the insured price is the forecasted average price a commodity will sell for during the crop year as determined by Agriculture and Agri-Food Canada.

Premium Cost Sharing and Coverage Levels

Crop Insurance premiums are cost-shared between producers and the federal and provincial governments.

In 2005, premium cost sharing continued the transition to the 60 per cent federal – 40 per cent provincial share of government premiums to be implemented by 2006 under the Agriculture Policy Framework.

	Base Coverage	Buy-Up Coverage
Producers	23%	50%
Government of Saskatchewan	30.8%	20%
Government of Canada	46.2%	30%

Base coverage is 50 per cent of a producer's average yield while buy-up coverage is 60, 70 and 80 per cent. The cost sharing for buy-up coverage only applies to the incremental cost above the base level. Certain crops are not eligible for 80 per cent coverage based on a lack of data to predict probable yields.

Crop Insurance's Low Price Option allows customers to select any level of coverage at a reduced cost. Premiums and coverage are based on 85 per cent of the insured base price without lowering the claim threshold.

The 2005 Crop Averaging Pilot Program provided interested producers in the Humboldt and Shaunavon areas coverage above the highest coverage level of 80 per cent, to a maximum of 90 per cent by "basketing" insured crops. The reduced insurance risk was returned to the producer in the form of increased coverage. The total coverage above 80 per cent was calculated based on the crops and numbers of acres to be seeded (new crops, forage, greenfeed and irrigated acres were ineligible).

Individual Coverage

Producers are guaranteed a minimum yield based on the coverage selected as a percentage of their personal yield experience for each crop insured. Area averages are used for customers without sufficient verifiable historical information upon which to base their initial coverage.

Each year a customer grows an insured crop, their long-term individual yield is updated to reflect their experience for future coverage. The customer's long-term individual yield is updated by using 90 per cent of their previous average plus 10 per cent of their new annual yield. There is a one-year lag in this calculation.

The Management Experience Transfer is used to establish a starting yield based on a producer's farm management abilities for a crop where no individual yield was previously established. The area average is adjusted by an index of the producer's personal yield experience versus the area yields for the other crops the producer has grown and insured. Once yields are established, they are updated with individual production information, providing individual coverage.

Production and Quality Guarantee

Crop Insurance guarantees a minimum yield based on a customer's long-term individual yields and coverage option selected. Yield-loss payments are based on the shortfall between the production guarantee and the harvested yield plus any appraisals applied to acres put to any use other than harvesting.

Quality is considered when calculating yield loss on most insurable crops. Designated grades are established based on the historical average grade of each crop produced in Saskatchewan. When the grade of the harvested production is lower than the designated grade, the production is adjusted downward by a quality factor, increasing the value of the claim.

Establishment and Unseeded Acreage Benefits

Insurance coverage includes crops that fail to establish and acres unseeded due to excessive spring moisture. The Establishment Benefit covers crops that fail to adequately establish or suffer significant damage due to insurable causes prior to June 20. Under the Unseeded Acreage feature, producers who are unable to seed their normal number of acres by June 20 due to excessive moisture are eligible for a per acre payment.

Winterkill Coverage

Winterkill coverage is a separate option for fall-seeded crops. Producers have until August 25 to select winterkill insurance on crops seeded by September 25. Yield-loss coverage can be selected in the spring of the harvest year, subject to a spring establishment inspection.

Irrigation Coverage

Coverage is higher and premiums are lower for irrigated crops, reflecting the reduced production risk. The irrigation schedule and application is inspected to ensure effectiveness throughout the growing season. Drought is not an insurable cause of loss on irrigated acres. To insure irrigated acres, all acres of that crop must be insured whether produced on irrigated or dry land. For 2005–2006, 47,527 irrigated acres were insured on 155 contracts.

Diversification Option

The Diversification Option is available on crops that are not insurable under regular, multi-peril or the New Crops insurance programs though customers must have acres enrolled in the regular program to be eligible. Coverage levels, premium and any claims paid for the diversified crop grown are equal to the average coverage, premium and any claims paid on all acres insured under the regular program.

Diversification Option Historical Participation

Year	Insured Acres
1996	2,480
1997	4,066
1998	5,517
1999	3,109
2000	2,199
2001	2,099
2002	3,316
2003	7,473
2004	8,806
2005	8,500

Pedigree Seed Option

For members of the Certified Seed Growers Association, the Pedigree Seed Option offers a higher price option for insurable crops and a quality adjustment if the germination of the seed produced is below certified seed standards. Producers selecting this option must select the same coverage at the same level as they have selected on their commercial crops. There were 155,988 pedigree acres insured under 236 contracts in 2005–2006.

Organic Crop Option

Organic coverage is available for certified organic producers and includes the Organic Reseeding Benefit, in the event that organic crops have to be worked down by July 15 due to excessive weeds. Organic prices are set higher than commercial crops based on markets; yields are reduced and premium rates are higher to reflect the increased risk.

The Contract Price Option was introduced in 2005 on organic flax and lentil crops. The insured price was an average of the producer's contract price and Crop Insurance's base price, based on the amount of crop contracted and the producer's production guarantee.

This "blended" price was used to calculate coverage, premiums and any claims for all acres of the insured crop.

Organic Crop Option Historical Participation

Year	Insured Acres
1996	11,982
1997	12,857
1998	21,763
1999	28,333
2000	50,439
2001	79,297
2002	110,476
2003	172,032
2004	167,247
2005	204,679

Forage Insurance Program

Crop Insurance's Forage Insurance protects tame hay, greenfeed, dehydrated alfalfa and sweetclover for yield loss. For crops not insurable under the basic forage program, Crop Insurance introduced the Forage Diversification Option in 2005. This program used barley acres as a proxy for both forage diversification coverage and claims

The Forage Establishment Benefit Option is available as an optional rider, providing establishment coverage on acres seeded to alfalfa, alfalfa/grass, grass, red clover and sweetclover. A greenfeed establishment benefit was introduced in 2005.

New for 2005, Crop Insurance introduced the Timothy Hay Pilot Program in the Outlook area, providing coverage on irrigated timothy hay acres intended for export. Producers were offered yield and quality loss coverage up to 70 per cent.

Forage Insurance Program (Multi-Peril) – Historical Statistics

Year	Number of Contracts	Number of Endorsements	Number of Endorsements Receiving Indemnity	Acres Insured	Liability	Total Premium	Indemnity	Loss Ratio
1996		1,664	874	233,726	$ 8,726,197	$ 1,927,287	$ 1,491,065	0.77
1997		1,388	628	193,108	7,990,634	1,433,830	1,146,982	0.80
1998	2,013	2,285	1,100	359,954	17,524,304	3,145,855	4,256,605	1.35
1999	1,913	2,169	243	306,689	14,005,988	2,416,213	609,874	0.25
2000	2,241	2,548	412	382,912	13,247,318	2,363,477	815,977	0.35
2001	2,883	3,380	1,987	532,032	20,592,772	2,904,964	7,395,640	2.55
2002	4,432	5,448	2,465	973,758	58,758,894	9,034,257	21,442,727	2.37
2003	3,993	4,812	1,709	792,892	46,483,100	9,674,951	13,150,771	1.36
2004	3,969	4,730	304	781,854	35,218,651	7,377,309	1,425,868	0.19
2005*	3,030	3,537	180	570,852	20,719,297	4,369,747	522,125	0.12

Note: Forage indemnities have been restated to include subsequent indemnities for forage establishment claims paid in the current year.
* 2005 includes Forage Diversification.

Timothy Hay Pilot Program

Year	Contracts	Endorsements	Acres	Liability	Claims	Premium	Indemnity	Loss Ratio
2005	15	17	6,860	$2,571,177	8	$342,929	$605,959	1.77

Vegetable Insurance Pilot Program

Year	Contracts	Endorsements	Acres	Liability	Claims	Premium	Indemnity	Loss Ratio
2005	5	21	13	$11,539	2	$1,573	$3,775	2.40

Weather-Derivative Programs

Saskatchewan Crop Insurance continues to develop innovative insurance products that are easy to understand and administer.

Weather-derivative programs are not based on individual production; claims are automatically calculated based strictly on the data gathered at designated weather stations. Quality control measures include verification of all data by an independent third-party contractor.

The Forage Rainfall Insurance Program (FRIP) protects grazing acres against below-average seasonal precipitation. FRIP claims are calculated when the weighted precipitation between April 1 and July 31 falls below 80 per cent of normal. Customers choose between three monthly weightings to better represent timely precipitation required for their individual operations. Producers also select to cap the maximum precipitation at either 125 or 150 per cent of normal; any precipitation greater than the selected cap is not included in the indemnity calculation.

The Annual Crop Weather Based Insurance Program protects annual crops in the event of significant precipitation shortfalls and early fall frost. The options include a $10 or $25 per acre top-up on acres insured under the regular, multi-peril program, improving existing coverage, and a stand-alone option for $75 per acre.

For the Annual Crop Weather Based Insurance Program, precipitation payments are calculated when the weighted precipitation between May 1 and August 31 falls below 70 per cent of normal. Early fall frost claims are triggered when frost occurs after the midpoint of the growing season but before the average first fall frost date, less three days. In the event that both claim types are triggered, only the greater of the two indemnities is paid.

Available in designated areas, the Corn Heat Unit Pilot Program insures feed corn producers against a lack of required heat units over the growing season. The corn heat unit is a standard North American formula modified to measure the maturity of corn. The normal value is determined to be 2,100 corn heat units and enrolled customers are insured from May 1 until the minimum daily temperature first reaches -2°C or less after July 1. For every 20 corn heat units below 2,100, a per cent of liability is paid to a maximum of 80 per cent. In 2005, the program was expanded, increasing the insurable area and adding two new weather stations.

Complete program information is available from Saskatchewan Crop Insurance.

Forage Rainfall Insurance Program

Year	Contracts	Endorsements	Acres	Liability	Claims	Premium	Indemnity	Loss Ratio
2001	336	558	209,747	$ 7,628,510	283	$ 827,733	$ 625,577	0.76
2002	3,955	6,120	3,272,263	24,603,861	3,494	4,598,102	6,051,393	1.32
2003	3,510	5,377	2,664,809	37,191,756	1,264	7,193,218	1,497,313	0.21
2004	2,416	3,638	1,710,063	18,000,136	808	3,501,965	357,056	0.10
2005	1,773	2,654	1,237,264	11,410,710	189	1,881,919	91,317	0.05

2001 was the first year of the pilot project and was not available in all parts of the province.

Annual Crop Weather Based Insurance Program

Year	Contracts	Endorsements	Acres	Liability	Claims	Premium	Indemnity	Loss Ratio
2002	2,290	2,290	900,861	$ 9,008,610	637	$1,532,820	$ 826,132	0.54
2003	1,336	1,345	518,272	6,002,640	754	728,967	904,474	1.24
2004	2,316	2,421	1,365,151	25,903,525	1,658	3,084,340	5,713,885	1.85
2005	2,166	2,285	1,987,947	42,188,145	374	4,677,650	2,810,213	0.60

Corn Heat Unit Pilot Program

Year	Contracts	Endorsements	Acres	Liability	Claims	Premium	Indemnity	Loss Ratio
2004	25	25	2,324	$353,440	25	$43,942	$152,406	3.47
2005	36	36	1,810	$291,680	8	25,491	5,988	0.23

Appendix 3: Historical Coverage and Premiums

Percentage of Acreage by Coverage Level

Year	50%	60%	70%	80%
1997	28%	11%	50%	11%
1998	18%	9%	58%	15%
1999	19%	9%	59%	14%
2000	13%	7%	66%	14%
2001	12%	6%	68%	14%
2002	8%	4%	35%	53%
2003	12%	8%	41%	39%
2004	14%	10%	43%	33%
2005	17%	11%	44%	28%

Weighted Average Coverage Level by Year

Year	Average Coverage Level	Year	Average Coverage Level
1990	72%	1998	67%
1991	70%	1999	67%
1992	79%	2000	68%
1993	76%	2001	69%
1994	70%	2002	73%
1995	69%	2003	71%
1996	69%	2004	70%
1997	65%	2005	68%

Historical Premium Cost Sharing

	Total Premium			Base Premium			Buy-Up Premium			Weather-Based Program Premium			High Cost Coverage			Admin Costs	
Year	Prod	Fed	Prov	Prod	Fed	Prov	Prod	Fed	Prov	Prod	Fed	Prov	Prod	Fed	Prov	Fed	Prov
1961–66	80%	20%													50%	50%	
1967–72	75%	25%													50%	50%	
1973–89	50%	50%													0%	100%	
1990–96	50%	25%	25%*													50%	50%
1997	42.2%	28.9%	28.9%	20%	40%	40%	60%	20%	20%							50%	50%
1998	39.0%	30.5%	30.5%	20%	40%	40%	50%	25%	25%							50%	50%
1999	39.0%	30.5%	30.5%	20%	40%	40%	50%	25%	25%							50%	50%
2000	29.2%	42.5%	28.3%◊	10%	54%	36%	40%	36%	24%							50%	50%
2001	29.7%	35.2%	35.2%	10%	45%	45%	40%	30%	30%							50%	50%
2002	36.8%	27.4%	35.8%§	19%	36%	45%	48%	22%	30%	37%	28%	35%				50%	50%
2003	36.0%	38.4%	25.6%	19%	49%	32%	48%	31%	21%	37%	38%	25%				60%	40%
2004	37.2%	37.7%	25.1%	20%	48%	32%	50%	30%	20%	37%	38%	25%	67%	20%	13%Δ	60%	40%
2005	37.8%	37.2%	24.9%	23%	46%	31%	50%	30%	20%	38%	37%	25%	67%	20%	13%§	60%	40%

* In 1992 only, the provincial government paid 41 2/3 per cent, producers 33 1/3 per cent and the federal government 25 per cent of the incremental premium between 70 and 80 per cent coverage.

◊ For 2000 only, the federal government paid 60 per cent of government premiums.

§ Projected overall cost sharing. Also applied to Forage Rainfall Insurance Program, Annual Crop Weather Based Insurance Program.

Δ The cost sharing for high cost coverage is established under the Agriculture Policy Framework (APF). It applies to the Enhanced Top-Up Option under the Annual Crop Weather Based Insurance Program as the coverage is considered to be above the level provided under the comprehensive cost-sharing provisions of the APF.

Appendix 4: Participation and Loss Experience

Annual Grains Crops – Multi-Peril Program Only

Year	Number of Customers	Liability	Average Customer Liability	Customer Net Premium	Total Net Premium
1961–62	194	$ 306,500	$ 1,580	$ 23,925	$ 29,906
1962–63	1,337	2,319,000	1,734	171,284	214,105
1963–64	2,235	3,683,000	1,648	275,645	344,556
1964–65	2,357	4,088,000	1,735	278,926	348,658
1965–66	3,172	4,566,000	1,440	290,708	363,385
1966–67	6,989	12,125,000	1,734	743,154	928,943
1967–68	8,211	15,910,000	1,938	941,146	1,176,433
1968–69	12,343	27,165,000	2,201	1,719,898	2,149,873
1969–70	11,637	21,194,000	1,821	1,320,748	1,650,935
1970–71	9,083	9,039,200	995	567,835	709,794
1971–72	7,890	14,625,000	1,854	782,908	978,635
1972–73	11,844	29,840,005	2,519	1,821,463	2,276,829
1973–74	23,909	140,436,128	5,874	6,780,470	13,688,272
1974–75	31,411	288,263,532	9,177	14,536,220	30,098,459
1975–76	38,209	405,089,832	10,604	19,821,549	41,041,161
1976–77	39,143	542,207,973	13,852	25,986,032	53,637,408
1977–78	47,156	704,688,894	14,944	34,761,664	71,887,589
1978–79	43,032	708,193,202	16,457	33,258,275	66,472,426
1979–80	40,154	721,821,633	17,976	33,065,306	66,055,718
1980–81	42,850	935,838,614	21,840	41,457,643	82,546,598
1981–82	46,259	1,162,172,942	25,123	53,612,350	106,100,031
1982–83	44,469	1,233,908,814	27,748	56,458,215	112,003,208
1983–84	43,000	1,254,906,517	29,184	56,017,456	111,588,185
1984–85	43,443	1,345,493,742	30,971	62,690,884	123,439,542
1985–86	46,894	1,558,492,595	33,234	76,052,344	151,943,200
1986–87	48,952	1,778,772,508	36,337	88,008,642	170,010,965
1987–88	46,492	1,161,135,578	24,975	61,969,782	120,935,244
1988–89	45,721	1,159,096,010	25,352	63,265,513	121,599,399
1989–90	49,267	1,942,011,401	39,418	132,122,366	238,801,161
1990–91	46,523	1,713,501,461	36,831	112,716,301	207,182,201
1991–92	51,466	1,478,891,201	28,735	82,647,237	145,600,110
1992–93	49,466	1,706,956,497	34,508	111,510,843	223,159,109
1993–94	45,752	1,269,698,961	27,752	100,119,693	199,319,998
1994–95	43,107	1,249,853,183	28,994	88,228,806	161,006,675
1995–96	40,904	1,355,607,448	33,141	80,561,270	157,205,530
1996–97	38,099	1,619,069,926	42,496	86,722,633	173,445,266
1997–98	36,030	1,574,353,395	43,696	56,567,834	141,930,893
1998–99	35,336	1,610,578,015	45,579	53,926,962	149,706,545
1999–00	33,216	1,583,681,295	47,678	48,739,931	136,382,054
2000–01	34,121	1,561,382,982	45,760	36,320,919	140,130,557
2001–02	33,917	2,022,351,221	59,626	42,725,264	163,480,791
2002–03	33,814	2,416,155,651	71,454	80,498,777	218,311,844
2003–04	33,012	2,665,864,135	80,754	118,968,854	330,663,077
2004–05	31,384	1,988,751,359	63,368	103,747,871	278,137,473
2005–06	29,778	1,800,294,166	60,457	100,989,950	266,802,550

1991–92, 1992–93, 1993–94 and 1994–95 information is for Crop Insurance only and the Crop Insurance portion of GRIP.
This does not include Forage Insurance, weather derivative programs or the Spot-Loss Hail Option.
Premium includes premiums from producers and contributions by the governments of Canada and Saskatchewan.

Average Customer Premium	Average Customer Rate (%)	Number of Indemnities Paid	Indemnity Amount	Loss to Premium Ratio (By Year)	Loss to Premium Ratio (Accumulated)
$ 123	7.8	169	$ 129,669	4.34	4.34
128	7.4	147	61,651	0.29	0.78
123	7.5	38	9,285	0.03	0.34
118	6.8	240	137,926	0.40	0.36
92	6.4	301	123,304	0.34	0.36
106	6.1	161	107,978	0.12	0.26
115	5.9	887	497,118	0.42	0.31
139	6.3	1,683	1,607,853	0.75	0.48
113	6.2	553	385,787	0.23	0.42
63	6.3	213	104,338	0.15	0.40
99	5.4	206	142,930	0.15	0.37
154	6.1	1,654	1,262,763	0.55	0.41
284	4.8	8,484	7,730,305	0.56	0.49
463	5.0	23,505	32,898,379	1.09	0.82
506	4.9	24,444	28,392,087	0.69	0.77
664	4.8	15,092	22,401,840	0.42	0.64
736	4.9	21,915	36,862,943	0.51	0.60
773	4.7	17,389	29,419,884	0.44	0.56
824	4.6	39,050	103,835,041	1.57	0.75
968	4.4	35,907	135,708,452	1.64	0.92
1,159	4.6	29,167	92,280,986	0.87	0.91
1,270	4.6	23,967	74,157,729	0.66	0.87
1,303	4.5	26,804	105,243,197	0.94	0.88
1,443	4.7	51,853	259,864,151	2.11	1.05
1,622	4.9	57,693	377,180,151	2.48	1.26
1,798	4.9	29,161	119,054,329	0.70	1.18
1,333	5.3	25,547	87,240,750	0.72	1.14
1,384	5.5	74,987	465,603,032	3.83	1.36
2,682	6.8	57,064	449,653,069	1.88	1.44
2,423	6.6	36,538	160,883,342	0.78	1.36
1,606	5.6	23,252	61,312,350	0.42	1.30
2,254	6.5	39,627	301,960,318	1.35	1.30
2,188	7.9	27,385	181,809,677	0.91	1.27
2,047	7.1	17,924	85,991,873	0.53	1.23
1,970	5.9	21,525	101,531,480	0.65	1.19
2,276	5.4	7,541	32,409,227	0.19	1.13
1,570	3.6	12,152	51,807,874	0.37	1.10
1,526	3.3	15,452	66,706,347	0.45	1.07
1,467	3.1	14,871	65,065,409	0.48	1.05
1,064	2.3	12,064	75,919,849	0.54	1.03
1,260	2.1	33,353	267,782,992	1.64	1.05
2,381	3.3	61,147	1,044,721,261	4.79	1.26
3,604	4.5	36,752	330,039,388	1.00	1.24
3,306	5.2	35,073	383,102,319	1.38	1.25
3,391	5.6	11,092	71,828,432	0.27	1.19

Appendix 5: Insured Acres by Crop

	Crop	1961–71	1971–72	1972–73	1973–74	1974–75	1975–76	1976–77	1977–78	1978–79
CEREAL CROPS	All Wheat	9,102,700								
	Hard Red Spring	579,500	1,040,200	1,613,505	4,731,716	5,615,440	6,673,045	8,452,752	10,367,504	8,692,868
	Durum	137,400	149,000	385,088	715,544	1,360,053	2,072,676	1,870,193	1,216,880	2,266,101
	Barley	1,137,740	250,600	362,166	1,008,656	1,507,827	1,519,288	1,389,155	2,246,807	1,631,337
	Oats	253,160	24,800	40,855	234,891	430,933	559,950	549,122	746,651	476,210
	Fall Rye				2,177	14,054	29,722	49,101	47,929	83,014
	Extra Strong Red					42,295	67,105	60,345	264,967	226,913
	Soft White Spring									
	Spring Rye									
	Triticale									
	Winter Wheat									
	Canada Prairie Spring									
	Khorsan Wheat									
OILSEEDS	Flax			41,267	153,252	218,854	227,902	90,225	365,647	221,894
	Canola			146,301	388,380	545,896	881,834	328,818	774,775	1,415,738
	Sunflowers*				1,050	190	829	570	2,291	2,004
	Mustard					68,880	33,871	17,950	73,457	73,363
	Yellow Mustard									
	Brown Mustard									
	Oriental Mustard									
	Coriander									
	Caraway									
PULSES	Field Peas							3,287	9,919	9,814
	Lentils									
	Lentils - Large Green									
	Lentils - Other									
	Lentils - Red									
	Canary Seed									
	Fababeans									
	Dry Bean Black (Irr)									
	Dry Bean Pinto (Irr)									
	Dry Bean Other (Irr)									
	Dry Beans									
	Dry Bean Black (Dry)									
	Dry Bean Pinto (Dry)									
	Desi Chickpeas									
	Kabuli Chickpeas									
	Kabuli (Large Seed)									
	Kabuli (Small Seed)									
SPECIALTY	Alfalfa Seed									
	Potatoes									
	Processing Potato									
	Seed Potato									
	Diversification									
	Winterkill Acres									
	Total Acres	11,210,500	1,464,600	2,589,182	7,235,666	9,804,422	2,066,222	12,811,518	16,116,827	15,099,256
	Average**	195	186	219	303	312	316	327	342	351
	# of Contracts	57,558	7,890	11,844	23,909	31,411	38,209	39,143	47,156	43,032

* Sunflowers include sunwheat and sunola.

** Average (acres per contract) does not include the Forage Insurance program.

Crop	1979–80	1980–81	1981–82	1982–83	1983–84	1984–85	1985–86	1986–87	1987–88
All Wheat									
Hard Red Spring	8,706,489	9,783,115	11,097,416	11,250,517	11,854,822	10,931,701	11,853,170	13,298,153	11,674,712
Durum	1,721,750	2,147,814	2,749,049	2,237,746	2,087,304	2,561,121	2,899,744	3,172,596	3,710,793
Barley	1,270,343	1,795,748	2,180,806	2,049,734	1,614,460	1,823,475	2,218,712	2,394,632	2,497,283
Oats	361,241	480,810	546,035	461,074	326,370	376,268	469,229	468,090	456,691
Fall Rye	76,076	89,389	138,233	147,036	135,117	105,569	118,634	187,634	164,669
Extra Strong Red	58,068	44,046	37,515	34,773	25,787	58,823	167,936	156,036	59,578
Soft White Spring							9,329	11,301	4,468
Spring Rye	4,858	13,493	18,022	25,008	8,072	9,133	23,484	29,369	15,219
Triticale								2,887	2,079
Winter Wheat							416,257	602,306	264,277
Canada Prairie Spring									
Khorsan Wheat									
Flax	386,897	247,139	210,676	275,290	123,665	372,201	430,229	501,806	351,599
Canola	1,616,044	1,085,158	686,360	757,199	1,112,926	1,770,049	1,803,123	1,665,883	1,627,739
Sunflowers	4,128	10,632	4,791	3,601	1,306	5,895	6,103	6,493	11,334
Mustard	44,418	110,742	75,290	49,725	93,580	164,691	222,031	271,288	117,443
Yellow Mustard									
Brown Mustard									
Oriental Mustard									
Coriander									
Caraway									
Field Peas	12,789	17,569	15,942	26,530	21,594	28,907	43,798	102,565	206,548
Lentils	13,941	43,400	44,848	63,902	56,294	76,035	110,489	218,964	333,353
Lentils - Large Green									
Lentils - Other									
Lentils - Red									
Canary Seed	24,075	50,881	39,962	89,761	47,883	67,907	84,892	131,153	158,996
Fababeans			152	370	1,177	2,010	1,017	2,599	4,387
Dry Bean Black (Irr)									
Dry Bean Pinto (Irr)									
Dry Bean Other (Irr)									
Dry Beans									
Dry Bean Black (Dry)									
Dry Bean Pinto (Dry)									
Desi Chickpeas									
Kabuli Chickpeas									
Kabuli (Large Seed)									
Kabuli (Small Seed)									
Alfalfa Seed									
Potatoes									
Processing Potato									
Seed Potato									
Diversification									
Winterkill Acres									
Total Acres	14,301,117	15,919,936	17,845,097	17,472,266	17,510,357	18,353,785	20,878,177	23,223,755	21,661,168
Average	356	372	386	393	407	422	445	474	466
# of Contracts	40,154	42,850	46,259	44,469	43,000	43,443	46,894	48,952	46,492

	Crop	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97
CEREAL CROPS	All Wheat									
	Hard Red Spring	10,840,175	12,070,775	12,962,716	15,512,081	14,453,469	9,724,157	6,315,045	6,868,737	8,213,055
	Durum	3,880,322	4,684,235	3,580,820	3,723,365	2,485,801	1,942,853	2,785,708	2,825,626	2,708,185
	Barley	2,090,117	2,759,566	2,372,150	2,776,307	2,166,076	1,738,413	1,408,404	1,789,833	1,986,217
	Oats	628,814	758,462	444,078	382,028	419,373	366,814	318,456	256,052	433,415
	Fall Rye	138,679	330,134	227,450	98,670	57,084	77,362	56,879	46,860	34,136
	Extra Strong Red	58,419	58,177	44,891	24,921	22,908	124,147	98,647	147,124	214,413
	Soft White Spring	2,262	2,043	2,972	6,445	4,350	1,149	0	80	549
	Spring Rye	20,727	18,008	15,828	18,445	17,793	12,924	12,929	4,510	4,306
	Triticale	1,711	1,166	5,115	5,097	7,802	11,414	7,152	5,785	5,465
	Winter Wheat	130,624	51,912	68,391	23,570	14,694	15,838	10,227	20,426	41,669
	Canada Prairie Spring			53,817	326,653	551,764	564,436	329,938	404,611	579,749
	Khorsan Wheat									
OILSEEDS	Flax	312,559	533,851	655,579	483,221	206,509	409,525	563,646	759,514	435,399
	Canola	2,586,023	2,295,868	2,065,296	3,121,653	2,735,548	3,305,427	4,508,878	4,285,004	2,670,161
	Sunflowers	10,529	10,019	8,102	16,917	9,439	20,748	16,140	11,515	6,683
	Mustard	247,822	361,354	361,373	186,406	205,996	233,671	386,635	288,527	246,407
	Yellow Mustard									
	Brown Mustard									
	Oriental Mustard									
	Coriander									
	Caraway									
PULSES	Field Peas	235,656	96,573	75,248	156,871	221,185	355,351	570,038	740,427	472,253
	Lentils	185,885	166,849	199,668	407,874	319,646	439,630	496,761	468,360	374,975
	Lentils - Large Green									
	Lentils - Other									
	Lentils - Red									
	Canary Seed	183,337	244,304	243,712	207,718	183,367	201,562	276,513	209,954	281,035
	Fababeans	12,370	983	575	3,117	3,268	1,532	298	290	130
	Dry Bean Black (Irr)									
	Dry Bean Pinto (Irr)									
	Dry Bean Other (Irr)									
	Dry Beans			366	210	204	208	472	1,357	1,484
	Dry Bean Black (Dry)									
	Dry Bean Pinto (Dry)									
	Desi Chickpeas									
	Kabuli Chickpeas									
	Kabuli (Large Seed)									
	Kabuli (Small Seed)									
SPECIALTY	Alfalfa Seed									
	Potatoes				1,577	619	431	1,141	703	898
	Processing Potato									
	Seed Potato									
	Diversification							4,803	4,798	2,480
	Winterkill Acres									
	Total Acres	21,566,031	24,444,278	23,388,147	27,483,146	24,086,895	19,547,592	18,168,710	19,140,093	18,713,064
	Average	472	496	503	534	487	427	421	468	491
	# of Contracts	45,721	49,267	46,523	51,466	49,466	45,752	43,107	40,904	38,099

1991-92, 1992-93, 1993-94 and 1994-95 information is for Crop Insurance only and the crop insurance portion of GRIP.

Crop	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
All Wheat									
Hard Red Spring	6,963,500	5,603,875	6,389,437	6,262,416	7,847,343	7,243,121	7,121,104	6,885,518	6,245,897
Durum	3,066,510	4,322,155	2,491,946	4,207,869	3,477,740	4,080,229	3,969,914	3,381,902	3,587,692
Barley	2,069,474	2,079,545	2,080,267	3,060,719	3,010,165	3,365,841	3,488,895	2,874,229	2,871,856
Oats	479,457	706,099	536,971	661,663	716,488	1,078,809	860,578	765,640	753,538
Fall Rye	40,008	68,755	47,853	31,051	24,763	24,914	60,536	60,932	59,193
Extra Strong Red	215,154	177,123	136,885	132,067	82,822	42,155	21,743	15,033	20,781
Soft White Spring	357	260	483	316	130				
Spring Rye	5,762	8,520	4,986	2,303	2,769	6,072	5,303	3,391	3,705
Triticale	7,384	18,794	19,513	15,989	16,892	29,255	26,575	24,571	16,829
Winter Wheat	47,042	55,087	48,789	86,095	125,085	70,880	98,875	103,183	80,251
Canada Prairie Spring	796,755	595,423	394,839	323,873	306,318	313,806	277,180	271,277	156,456
Khorsan Wheat						3,629	6,567	7,356	8,381
Flax	792,587	991,327	889,593	740,657	920,117	994,805	1,086,571	1,003,198	1,241,316
Canola	3,806,591	4,377,810	4,612,512	4,219,916	3,595,269	3,398,946	4,498,030	4,737,975	4,975,401
Sunflowers	16,688	20,402	32,733	21,178	9,876	22,968	32,563	15,436	24,684
Mustard	309,005	348,309							
Yellow Mustard			109,918	81,003	147,548	331,759	288,909	208,373	98,510
Brown Mustard			116,924	93,991	47,228	112,239	172,555	122,372	81,911
Oriental Mustard			166,648	169,206	75,446	103,662	89,961	128,932	87,226
Coriander			10,091	11,074	8,467	20,636	13,981	29,527	17,398
Caraway			4,308	4,970	6,227	7,116	3,394	1,850	3,509
Field Peas	872,473	1,164,713	926,633	1,548,056	1,918,743	1,773,176	1,787,373	1,878,644	2,012,456
Lentils	487,762	587,490	842,009	1,357,437					
Lentils - Large Green					648,552	723,460	686,464	957,556	994,766
Lentils - Other					404,269	250,127	274,133	341,580	387,991
Lentils - Red					349,218	300,037	177,876	191,478	337,672
Canary Seed	165,433	290,581	207,414	296,903	291,850	648,951	544,560	700,343	366,330
Fababeans	310	527	650	905	1,626	725	346	185	237
Dry Bean Black (Irr)						270			
Dry Bean Pinto (Irr)						2,590	2,088	2,334	3,645
Dry Bean Other (Irr)						730	506	312	495
Dry Beans	1,558	2,393	2,385	3,608	2,369				
Dry Bean Black (Dry)							228		
Dry Bean Pinto (Dry)						632	1,301	1,569	871
Desi Chickpeas		29,647	128,926	293,461	310,338	149,216	47,291	11,830	4,440
Kabuli Chickpeas		33,964	132,441	354,696					
Kabuli (Large Seed)					438,512	169,011	33,778	30,505	42,707
Kabuli (Small Seed)					254,855	95,220	20,759	30,621	47,336
Alfalfa Seed		23,870	27,866	49,432	61,920	65,688	63,710	63,984	74,976
Potatoes	3,847	8,278							
Processing Potato			79	603	1,439	1,767	1,750	1,110	863
Seed Potato			2,061	3,204	2,238	2,538	3,553	3,742	1,540
Diversification	4,066	5,517	3,109	2,199	2,099	3,316	7,473	8,806	8,500
Winterkill Acres				57,542	117,194	98,524	142,997	167,161	133,807
Total Acres	20,151,723	21,520,464	20,368,269	24,094,432	25,225,915	25,536,820	25,919,420	25,032,455	24,753,166
Average	559	609	613	706	744	755	785	798	831
# of Contracts	36,030	35,336	33,216	34,121	33,917	33,814	33,012	31,384	29,778

Appendix 6: New Crops Insurance Account

The New Crops Insurance Account was established in 1996 to develop programs that support the diversification efforts of Saskatchewan producers.

Crops insured under the regular multi-peril program are subject to actuarial review to ensure premiums and coverage offered are based on historical experience and the long-term sustainability of the program. Premium rates are loaded to provide for deficit recovery or reserve accumulation.

The New Crops Insurance Account provides insurance on crops where there is limited production data for an actuary to review. Premiums and coverage are determined based on available information which may include proxy data from other jurisdictions or similar crops. Over time, rates and coverages are adjusted to reflect the increased amount of data available and new crops may be transitioned into the regular Crop Insurance program.

This account provides funded reinsurance for new crops. The premiums charged are not required to include deficit recovery or reserve accumulation loads. This is considered an important aspect of gaining producer support, modifying and improving insurance products provided and building actuarial data to sustain these programs over the long term.

In 2005–2006, the crops covered under this reinsurance program were alfalfa seed, caraway, coriander, Khorasan wheat, non-irrigated dry beans and vegetables.

New Crops Insurance (000's)

	1996–97 to 1998–99	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	Total
Opening Balance (Deferred Rev. & Net Assets)	$ –	$ 26,271	$ 27,443	$ 24,220	$ 23,153	$ 9,074	$ 9,292	$ 6,187	$ –
Revenue									
Start Up									
Saskatchewan	10,000	–	–	–	–	–	–	–	10,000
Federal	15,000	–	–	–	–	–	–	–	15,000
Interest	1,271	1,284	1,568	866	605	245	192	178	6,209
Total Revenue	26,271	1,284	1,568	866	605	245	192	178	31,209
Expenditures									
Reinsurance Premiums	–	–	(1,050)	(1,733)	–	–	–	–	(2,783)
New Crops Program Deficit	–	(112)	(3,741)	(200)	(1,074)	–	(3,297)	(478)	(8,902)
Transfer to Crop Insurance Fund	–	–	–	–	(13,637)	–	–	–	(13,637)
Total Expenditure	–	(112)	(4,791)	(1,933)	(14,711)	–	(3,297)	(478)	(25,322)
Ending Balance (Deferred Rev. & Net Assets)	$ 26,271	$ 27,443	$ 24,220	$ 23,153	$ 9,047	$ 9,292	$ 6,187	$ 5,887	$ 5,887

Appendix 7: Wildlife Damage Compensation Program

Saskatchewan Crop Insurance administers the Wildlife Damage Compensation Program under the Agriculture Policy Framework on behalf of the federal and provincial governments. Financial reporting for the program is included in the financial statements of the Agricultural Stabilization Fund under the department of Agriculture and Food.

Under the Wildlife Damage Compensation Program, compensation is provided for damage caused by ducks, geese, sandhilll cranes, white-tailed and mule deer, antelope, elk, bear, moose and bison.

The program is fully funded at 80 per cent coverage, cost shared at 60 per cent by the federal government and 40 per cent by the provincial government with a $100 minimum claim per crop. There are no premiums paid by producers and all Saskatchewan producers are eligible for compensation. Producers do not need to be Crop Insurance contract holders. Payments are based on the grade at the time of harvest, reflecting the value of the damaged crop; protein adjustments and malting status are not included in determining compensation amounts.

The table on this page indicates the average historical indemnity paid based on the actual claims paid to the end of the fiscal year.

The tables on pages 42 and 43 indicate the indemnities by crop year and the contributions of government. Though the former waterfowl or big game programs were combined under a single wildlife program in 2004, the compensation funds for each type of loss remain separate. These tables are not prepared in accordance with the accounting policies disclosed in the Agricultural Stabilization fund. However, on a cumulative basis, these amounts reconcile with those financial statements.

Wildlife Compensation Program Summary

Fiscal Year	Waterfowl Claims	Waterfowl Comp. Paid	Big Game Claims	Big Game Comp. Paid
78–79	1,586	$ 1,836,587		
79–80	908	977,476		
80–81	1,233	1,465,480		
81–82	305	312,061		
82–83	582	684,593		
83–84	541	869,910		
84–85	408	763,530		
85–86	2,544	6,389,022		
86–87	2,950	6,658,769		
87–88	1,210	1,779,933		
88–89	807	1,337,903		
89–90	1,384	3,727,130		
90–91	760	2,138,380		
91–92	392	683,391		
92–93	2,040	5,557,642		
93–94	1,560	3,603,156		
94–95	1,668	1,778,556		
95–96	709	1,352,767		
96–97	2,416	7,951,921		
97–98	1,077	4,361,668	1,671	$ 6,412,426
98–99	298	520,360	264	529,955
99–00	1,600	4,309,428	400	893,760
00–01	1,132	2,559,440	383	968,948
01–02	164	233,093	612	1,306,835
02–03	781	2,368,893	393	1,164,098
03–04	1,028	5,202,721	2,789	10,366,683
04–05	1,654	5,028,034	813	1,594,932
05–06	1,601	4,843,872	1,595	3,567,641
Total	**33,338**	**$79,295,716**	**8,920**	**$26,805,278**
Average	**1,191**	**$2,831,990**	**991**	**$2,978,364**
5 Yr. Avg.	**1,046**	**$3,535,323**	**1,240**	**$3,600,038**

- From 1984 to 1990, the Big Game Damage Compensation Program was administered by Saskatchewan Environment followed by Saskatchewan Crop Insurance starting in 1991. No program was offered in 1994 and 1995. The big game program resumed in November of 1996 but claims were not paid until 1997. Therefore, 97–98 includes claims from both 1996 and 1997 claim years.
- Prior to 1996, the big game program was a provincial responsibility while the waterfowl program was a joint responsibility with the indemnities shared between governments on a 50/50 basis. Payments under both programs were funded pay-as-you-go. Beginning in 1996, both programs were made eligible for federal and provincial funding.

Big Game Damage Companion Program Fund Balances (000's)

ACTUALS	1996–97 to 1998–99	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	Total
Opening Balance (Deferred Rev. & Net Assets)	$ –	$ 10,385	$ 0,749	$ 11,275	$ 4,225	$ (5,075)	$ –	$ –	$ –
Revenue									
Start Up									
Saskatchewan	7,000	–	–	–	–	–	–	–	7,000
Federal	7,000	–	–	–	–	–	–	–	7,000
Operational									
Saskatchewan	769	820	1,000	–	–	385	1,087	1,795	5,856
Federal	800	–	–	–	–	5,350	1,584	2,692	10,426
Transfer to Admin. Exp. Fund	(31)	–	–	–	–	–	–	–	(31)
Hunter	1,360	–	–	–	–	–	–	–	1,360
Temporary Prov. Advance	–	–	–	–	–	7,000	–	–	7,000
Transfer from W/Fowl Account	–	–	–	–	–	1,815	–	–	1,815
Interest	354	438	495	257	64	47	1	1	1,657
Total Revenue	17,252	1,258	1,495	257	64	14,597	2,672	4,488	42,083
Expenditures									
Indemnities	(6,817)	(894)	(969)	(1,307)	(1,164)	(962)	(2,672)	(4,488)	(19,273)
Repay't of Temp. Prov. Advance	–	–	–	–	–	(7,000)	–	–	(7,000)
Estimated Unadjusted Claims	–	–	–	–	(8,200)	(1,560)	–	–	(9,760)
Interest	(50)	–	–	–	–	–	–	–	(50)
Transfer to CFIP	–	–	–	(6,000)	–	–	–	–	(6,000)
Total Expenditure	(6,867)	(894)	(969)	(7,307)	(9,364)	(9,522)	(2,672)	(4,488)	(42,083)
Ending Balance (Deferred Rev. & Net Assets)	$ 10,385	$ 10,749	$ 11,275	$ 4,225	$ (5,075)	$ –	$ –	$ –	$ –

Waterfowl Damage Companion Program Fund Balances (000's)

ACTUALS	1996–97 to 1998–99	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	Total
Opening Balance (Deferred Rev. & Net Assets)	$ 80	$ 18,923	$ 17,177	$ 17,595	$ 8,778	$ 6,044	$ –	$ –	$ 80
Revenue									
Start Up									
Saskatchewan	5,000	–	–	–	–	–	–	–	5,000
Federal	10,000	–	–	–	–	–	–	–	10,000
Operational									
Saskatchewan	8,023	1,805	2,200	–	–	170	2,139	2,402	16,739
Federal	8,125	–	–	–	–	254	3,209	3,603	15,191
Transfer to Admin. Exp. Fund	(102)	–	–	–	–	–	–	–	(102)
Interest	633	772	777	416	135	50	–	–	2,783
Total Revenue	$ 31,679	2,577	2,977	416	135	474	5,348	6,005	49,611
Expenditures									
Indemnities	(12,825)	(4,309)	(2,559)	(233)	(2,369)	(424)	(5,348)	(6,005)	(34,072)
Estimated Unadjusted Claims	–	–	–	–	(500)	(4,279)	–	–	(4,779)
Interest	(5)	–	–	–	–	–	–	–	(5)
Transfer to CFIP	–	–	–	(9,000)	–	–	–	–	(9,000)
Transfer to Big Game Account	–	–	–	–	–	(1,815)	–	–	(1,815)
Doubtful Accounts	(6)	(14)	–	–	–	–	–	–	(20)
Total Expenditure	(12,836)	(4,323)	(2,559)	(9,233)	(2,869)	(6,518)	(5,348)	(6,005)	(49,691)
Ending Balance (Deferred Rev. & Net Assets)	$ 18,923	$ 17,177	$ 17,595	$ 8,778	$ 6,044	$ –	$ –	$ –	$ –

Saskatchewan Crop Insurance Customer Service Offices

Assiniboia
Ph: (306) 642-7235
Fax: (306) 642-7229

Davidson
Ph: (306) 567-4401
Fax: (306) 567-4408

Estevan
Ph: (306) 637-4500
Fax: (306) 637-4609

Humboldt
Ph: (306) 682-6710
Fax: (306) 682-6776

Kindersley
Ph: (306) 463-5462
Fax: (306) 463-5469

Leader
Ph: (306) 628-3109
Fax: (306) 628-3107

Moose Jaw
Ph: (306) 694-3613
Fax: (306) 694-3811

Moosomin
Ph: (306) 435-4535
Fax: (306) 435-4515

North Battleford
Ph: (306) 446-7411
Fax: (306) 446-7489

Preeceville
Ph: (306) 547-5650
Fax: (306) 547-5655

Prince Albert
Ph: (306) 953-2781
Fax: (306) 953-2285

Raymore
Ph: (306) 746-6252
Fax: (306) 746-6260

Regina
Ph: (306) 798-2052
Fax: (306) 798-2057

Rosetown
Ph: (306) 882-5450
Fax: (306) 882-5458

Saskatoon
Ph: (306) 933-5101
Fax: (306) 933-5220

Shaunavon
Ph: (306) 297-5480
Fax: (306) 297-5455

Swift Current
Ph: (306) 778-8315
Fax: (306) 778-8332

Tisdale
Ph: (306) 878-8860
Fax: (306) 878-8856

Turtleford
Ph: (306) 845-4501
Fax: (306) 845-4505

Weyburn
Ph: (306) 848-2300
Fax: (306) 848-2454

Yorkton
Ph: (306) 786-1375
Fax: (306) 786-1676

Toll-Free: 1-888-935-0000

CUSTOMER SERVICE OFFICE HOURS:
8:00 a.m. to 5:00 p.m. (closed noon hour) – Closed weekends and statutory holidays

CANADA ~ SASKATCHEWAN
Crop Insurance

HEAD OFFICE:
Box 3000 484 Prince William Drive Melville, SK S0A 2P0

Phone: (306) 728-7200 • Fax: (306) 728-7268

Email: customer.service@scic.gov.sk.ca
Website: www.saskcropinsurance.com

Crop Insurance

Canada-Saskatchewan Crop Insurance Corporation 2005-2006 Annual Report Supplementary Information

Head Office: Box 3000
484 Prince William Drive
Melville, SK S0A 2P0

Phone: (306) 728-7200
Fax: (306) 728-7268

Email: customer.service@scic.gov.sk.ca
Website: www.saskcropinsurance.com

Agriculture and Agri-Food Canada | Agriculture et Agroalimentaire Canada

Saskatchewan Crop Insurance Corporation

Supplier Payment

Payees who received $50,000 or more for the provision of goods and services, including office supplies, communications, contracts and equipment.

Vendor	Amount	Vendor	Amount
Anisoft Group Inc.	396,613	Microage	70,506
CompuSmart	80,167	Microsoft	96,064
Global Knowledge Network	63,891	Olive Waller Zinkhan & Waller	348,563
Grand & Toy	69,309	Printwest	52,412
Human Resources Services	54,865	Radarsat International	219,217
Bill Humeny	129,837	Saskatchewan Agriculture and Food	210,148
IBM Canada Ltd.	367,974	Saskatchewan Property Management	2,041,333
Information Security Technology	64,156	Sask Tel, CMR	393,241
KPMG LLP	260,140	Saskatchewan Workers' Compensation Board	166,926
Lenovo (Canada) Ltd.	57,938	Tru Elements	235,011
Linnett	105,475	University of Guelph	146,067
The Marketing Den	317,259		

Personal Services - Employees

Individuals who received payment for salaries, wages, honorariums, etc. which totalled $50,000 or more.

Payee	Amount	Payee	Amount	Payee	Amount
Adrian, Jeff	60,373	Honan, Connie	62,531	Rehm, Ken	50,283
Ames, Judy	57,286	Houle, Connie	52,323	Ritchie, Jack	52,659
Armbruster, Betty	57,482	Hubick, Lori	52,886	Rohr, Robert	65,857
Audette-Sand, Gail	59,308	Hughes, Earl	69,925	Rooney, Colleen	55,153
Benjamin, Stan	99,943	Hulston, Lorelei	68,124	Russell, Douglas	50,276
Biletski, George	69,925	Jaques, Shawn	54,606	Sawyer, Louise	70,413
Burnett, John	57,286	Keisig, Janece	53,961	Senyk, Linda	52,746
Coldwell, Maria	57,286	Kentel-Weinheimer, Terri	57,670	Sinclair, Cameron	59,428
Cooper, Mike	86,375	Kiss, John	69,740	Spruyt, Jack	61,037
Coulter, Mark	51,569	Knouse, Dale	50,733	Stanley, Larry	57,486
Cudmore, William	92,200	Liebrecht, Collin	57,286	Stefankiw, Valerie	57,286
Cursons, Thomas	76,093	Mathisen, Leslie	64,391	Stewart, Christopher	63,244
Dingle, Terry	92,200	McCuaig, David	69,446	Swan, Dallas	53,014
Emond, Denis	79,552	Morrow, Jeff	54,531	Todosichuk, Jana	55,333
Erbach, Garth	69,925	Moyse, Lee	57,286	Treimans, Hugh	51,849
Erickson, Kelly	58,691	Myhr, Deborah	56,557	Tyacke, Shirley	57,286
Ferrier, Barbara	57,813	Novak, Trevor	59,935	Warner, Darby	61,735
Fitch, Dan	51,446	Nyeste, Marjorie	57,286	Warnes, Lorne	92,200
Fleury, Curtis	54,379	Poier, Charlotte	51,610	Winterhalt, Dianne	53,674
Griemann, Eva	60,760	Potts, Glen	61,706	Wotherspoon, Dale	54,485
Hayward, Keith	69,530	Price, Jean	57,286	Wouters, Neil	57,478
Heese, Richard	60,762	Quintal, Ernest	57,286	Payees under $50,000	8,509,454
Hittel, Ronald	69,925				